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Central Asia Maneuvering for Better Terms in Ruble Union

MK2508135093 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 35, 29 Aug 93 (Signed to Press 24 Aug) p A12

[Sanobar Shermatova report under "Central Asia" rubric: "Ruble, Som, or Manat?"]

[Text] The report that on 20 August authorized representatives of Russia, Uzbekistan, Armenia, and Kazakhstan signed an agreement setting up "a ruble zone of a new type" has been left without comment. Experts say that all the documents are being finalized and that it makes no sense talking about definitive decisions before the upcoming meeting of the heads of government of CIS countries in Minsk and the presidents' meeting in Moscow on 7 September.

Nonetheless, economic priorities of the Central Asian countries can be described with a high degree of accuracy. To the accompaniment of the talk whether the som survives or not, Turkmenistan has announced the introduction of its own currency, the manat. Starting 1 November, the manat will supplant the ruble on the Turkmen market. One manat will be equivalent to one dollar or 1,000 rubles. Tajikistan has announced that it will stay in the ruble zone no matter what. Safes of the Uzbek and Kazakhstani national banks are packed with national currency banknotes that have already been printed, but the leaders of these republics have signed an agreement with Boris Yeltsin in Moscow upholding the course toward further economic integration.

It is well known that Nursultan Nazarbayev has always been an advocate of a close economic union within the CIS, hence Kazakhstan's current stance has come as no surprise. The Uzbekistan leader, however, who has fairly recently insisted on his republic's full sovereignty and independence, was opposed to the creation of any decisionmaking or controlling bodies within the CIS.

But this is precisely what is currently at issue. To all appearances, the Russian Central Bank has bluntly demanded that the newly independent countries make up their minds as to how they want to use the Russian ruble: by converting their national banks into the Russian Central Bank's branches or by introducing their own currencies. Apparently, Ukraine and Belarus, whose karbovanets and "hares" have suffered precipitous inflation, will have to accept the first option. The Central Asian republics, for their part, face a dilemma: whether to have their financial and monetary policies approved by Moscow as was the case in the Soviet period, or to buy out the requisite quantity of cash rubles within the established limits of state credits.

This is a hard choice, given that neither the first nor the second option is a recipe for success. It remains unclear what political stance Russia will take. There is one more "but," however. According to an established tradition, the Russian authorities make decisions proceeding from political and not economic considerations. If things turn out this way, the Central Asian republics, particularly Uzbekistan and Kazakhstan, will have bargaining chips ready. These include nuclear testing grounds, the Tajik problem, and "the threat of Islamic fundamentalism," which is being exploited to frighten Russia.

General Ponders Mission and Structure of CIS Defense Forces

PM2508134793 Moscow ROSSIYSKAYA GAZETA in Russian 20 Aug 93 First Edition p 4

["Opinion" article by Colonel General German Burutin: "Coalition Rapid Response Force Needed"]

[Text] If the Armenian president and the commander in chief of the CIS Joint Armed Forces had been invited to it, the 7 August Moscow conference of leaders of the states of Central Asia and Russia might have acquired the status of the first session of the Council for the Collective Security of the Treaty States. In our view this would have made it possible, when examining the important yet local question of the situation in Tajikistan, to adopt fundamental decisions on the creation and building of a common system of collective security, and in particular to agree on specific priority measures to implement the provisions of the Tashkent treaty.

Moreover, all the statements and decisions adopted by the heads of the states participating in the conference geared to stabilizing the situation in Tajikistan would then have been indisputably legitimate, since they would have come from the supreme political organ of the treaty states. It is the Council for the Collective Security of the Treaty States that has the right to determine and implement the measures it deems necessary to maintain or restore peace and security.

As for possible steps to implement the 15 May 1992 treaty, in our opinion, the creation of a collective security system should begin first of all with the appointment of a general secretary of the Council for Collective Security (as organizer and coordinator of the implementation of adopted decisions) and the formation of the council's working organs, with existing structures, like the CIS Joint Armed Forces High Command, for example, performing the functions of these organs until they are formed. The time has come to switch from political statements and declarations to the creation of a military organization of the coalition of states, which will essentially be a regional military-political alliance.

It is clear that the states that signed the Treaty on Collective Security formed a defensive alliance among themselves.

In no way can the treaty on collective security be seen as affecting anyone's security interests, certainly not those of the states that are party to it. On the contrary, the content of the treaty is evidence of its singularly defensive character.

As is known, the main, central element in any military organization comprises the various military formations that together make up the forces, manpower, and resources that form the armed forces. Therefore, the parties to the treaty, which have acknowledged the need for joint efforts and concerted actions for the purpose of collective security, will have to define and train specific forces, consisting of command and control organs, formations, units, and subunits of various branches and categories of troops, for the implementation of tasks involving the maintenance of peace in the Commonwealth and the waging of joint combat actions under a single (joint) command. The idea is that these forces will not be formed (created) from scratch, but, on mutual agreement among the participating states, will be allocated on a voluntary basis from the effective combat strength of the national armed forces for actions at a particular time. They will not be allocated in peacetime; only their effective combat strength will be established and preparations will be made for joint actions. Such coalition groupings of forces are often called the Joint Armed Forces of these states. There could be other terms, of course: coalition defense force, coalition security force, and others.

The development of the situation in the CIS countries and on the Commonwealth's external borders, in particular the recent events in Tajikistan, have once again confirmed the need for combat-ready groups of men, equipment, and weapons united by the common purpose of combat employment and trained for joint actions. The creation of Joint Armed Forces from part (let us emphasize, only a part) of the participating states' own armies could only be carried out consistently over a period of time, in stages, in view of the different conditions in the Commonwealth states, above all in the organizational development and formation of their own armed forces.

In the first stage the foundation would be laid for the Joint Armed Forces—the coalition defense force of the treaty states—over a period of 1.5-2 years.

These forces would comprise two components.

The first is a force intended for peacekeeping in the Commonwealth. It comprises groups of military observers and actual collective forces for peacekeeping in the Commonwealth. In the event of a threat to peace and stability in the participating states and the outbreak of interm ı conflicts, it could be given the job of disengaging the warring sides while achieving ceasefire agreements, monitoring the observance of the terms of accords, and the executing other peacemaking tasks.

The second is a force to prevent armed conflicts on the external borders of the states party to the Treaty on Collective Security. As we see it, it will have command and control organs and ground forces, airborne assault forces, air defense forces, and air force units and subunits capable of acting as a covering force and mobile force when repelling aggression in armed conflicts of a limited size.

In the second stage, lasting three-four years, the coalition force for the collective security of the treaty states, given the relevant external conditions and the commitment of the Commonwealth states, will be transformed into the Joint Armed Forces of the treaty states and then of the CIS. Their final creation could coincide with the completion of the formation of the national armed forces.

So the CIS Joint Armed Forces, as defined by the blueprint for the military security of the Commonwealth states, adopted by the heads of state in Bishkek on 9 October 1992, would in this case consist of three basic components:

—groups of military observers and a collective force to maintain peace in the CIS;

—a force to prevent local conflicts on the external borders of the CIS;

—contingents of forces to wage combat actions in large-scale armed conflicts.

It should be stressed once again that the participating states will allocate forces for the Joint Armed Forces from their own armies voluntarily. They will only be placed under the direct command of the CIS Joint Armed Forces commander in chief for actions at special times, and peacemaking forces will be allocated on the receipt of a mandate for their use.

Of course, there may be other ways of creating a military organization for the Tashkent treaty states and for the CIS as a whole. The main thing is that these ways should be examined as soon as possible and the best one chosen.

Defense Ministers Discuss Tajikistan, Other Issues

PM2508141593 Moscow KOMSOMOLSKAYA PRAVDA in Russian 25 Aug 93 p 1

[Igor Chernyak report: "'Afghan War': Act Two? CIS Troops Are To Be Transferred to Tajikistan Before First Snowfall"]

[Text] Yesterday after a sleepless night the CIS defense ministers once again gathered together. They listened to Colonel General Andrey Nikolayev, the new commander of the Russian Federation border troops, who has recently gotten back from Tajikistan. Nikolayev said that, according to his information, the situation on the Tajik-Afghan border is deteriorating with every day that passes, major groupings of mojahedin are still massing near the border, and fresh attacks on border guard detachments can be expected today or tomorrow.

After Nikolayev's statement the CIS defense ministers agreed that immediate actions are needed to avert possible aggression. It was however stressed however that 6-8 weeks remain until winter sets in; then snow will fall in the Pamirs, and troops must be moved to Tajikistan before that happens. Special groups will fly to Tajikistan in the next few days to decide areas where the coalition

defense forces (comprising probably units and subunits from Russia, Kazakhstan, Kyrgyzstan, Uzbekistan, and Tajikistan) will be deployed and set up command posts for these troops and logistic support bases.

According to confidential sources, the issue of the commander of the coalition defense forces in Tajikistan caused some dispute. The Russian Federation defense minister suggested Lieutenant General Sokolov, who is today in command of a Russian troop grouping in Tajikistan, for this post. However, Colonel General Boris Pyankov, who was until recently deputy commander in chief of the CIS Joint Armed Forces under Yevgeniy Shaposhnikov, has been appointed commander on the suggestion of Lieutenant General Rustam Akhmedov, Uzbekistan's defense minister.

There was no one who doubted the advisability of sending coalition forces to Tajikistan, there were only arguments over technical matters—who would fuel the aircraft, repair the hardware, pay for this, etc. Not all the CIS defense ministers agreed with the initial proposal that quotas in the coalition forces be set for their states. Instead it was suggested that an area of responsibility be stipulated for each republic and then the defense ministries of the interested countries would themselves decide on the forces and facilities needed to cover these sectors. (According to Western sources, such active preparations for combat operations on the part of Russia and the CIS countries are causing an extremely disparate reaction among the Afghan leadership and the population of Afghanistan, weary as they are of domestic conflict and internecine strife). [sentence as received]

The session also examined the question of reorganizing the High Command of the CIS Joint Armed Forces, something for which Russian Federation Defense Minister Pavel Grachev particularly pressed. The upshot was that it was decided to transform the High Command into a staff for the coordination of military cooperation by the end of 1993. During the transition period Colonel General Viktor Samsonov, current chief of its staff, will command the CIS Joint Armed Forces High Command.

The defense ministers also adopted a decision regarding the main areas of coordinating the joint activity of the Commonwealth states to enhance their defense capability (11 areas of interaction, including the development of unified air defense, early warning, space surveillance systems, etc.) and also improving the mechanism of the Treaty on Collective Security. However, all the decisions that the defense ministers adopted yesterday still have to be ratified by the CIS heads of state. They are expected to do so at a session of the Council of Heads of State 7 September.

CIS Council Nominates Belarus for UN Security Council

MK2508105093 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 25 Aug 93 p 2

[P.U.-signed report: "The Great, the White, And ..."]

[Text] The Republic of Belarus (White Russia) may join the elite club of permanent members of the UN Security Council if at a General Assembly session in September the world community approves a proposal that was put forward in Moscow yesterday. [sentence as received]

The CIS Council of Foreign Ministers has ventured to do something unheard of: to nominate a former Soviet republic as candidate to a vacant seat. Until the present day, there had been no such initiatives. Nor was there at least a trace of efficient coordination. On the contrary, the republics tried to make public their internal squabbles outside their "inner circle."

Other documents that were adopted include the regulation on the CIS Council of Foreign Ministers, the draft declaration on human rights commitments, and also on the fight against terrorism, the spread of illicit drugs and weapons of mass destruction. In Andrey Kozyrev's view, the approved papers will serve to flesh out legally the fairly ephemeral "commonwealth."

Baltic States Ink Free Trade Agreement

LD2508170093 Vilnius Radio Vilnius Network in Lithuanian 1400 GMT 25 Aug 93

[Text] A draft tripartite free trade agreement between the Baltic states was initialed yesterday. Evaluating this draft, Tele Gibauskaite, director of the department of economy of the Lithuanian Foreign Ministry, said that this tripartite treaty has been prepared well and fulfills all international requirements.

Negotiations on initialing the draft treaty did not reflect previous Lithuanian-Estonian disagreements. The preparation of this treaty had been accompanied by tension in Lithuanian-Estonian relations for some time. Last spring Estonia was maintaining that Lithuania was lagging behind in its economic reforms. Estonia had planned to sign only a bilateral free trade treaty with Latvia and to negotiate with Lithuania separately.

Disarmament Commission Meets in Minsk

LD2508061593 Moscow Mayak Radio Network in Russian 0330 GMT 25 Aug 93

[Text] A session of the joint Consultative Commission on Disarmament is taking place in Minsk in the CIS headquarters, RIA reports. This commission should help all the successor states to the Soviet Union implement international obligations in the disarmament and arms control spheres. On the agenda are issues connected to the treaties on limitations on conventional armed forces in Europe and on medium and short-range missiles. Taking part in the commission's work are representatives of Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyzia, Moldova, Russia, Turkmenia, Uzbekistan and Ukraine.

ITAR-TASS Carries Press Review for 26 Aug

LD2608062993 Moscow ITAR-TASS in English 0618 GMT 26 Aug 93

["Press Review"—ITAR-TASS headline]

[Text] Moscow August 26 TASS—The daily "NEZAVISIMAYA GAZETA" carries on its front page an article headlined "Clash Between Two Clans in the Russian Leadership May Lead the Country To Complete Anarchy. Struggle With Corruption Today Is Just Fighting With Political Rivals". The article says, in particular, that Russia's "civil servants nowadays are corrupted on an unprecedented scale... It is common knowledge that the lower the nation's living standards are, the higher the level of corruption is. In this sense Russian corruption seems to have good prospects. And yet, this evil should be combatted..."

The same newspaper publishes an interview with Turkish Foreign Minister Hikmet Cetin, in which he comments on the current situation in Azerbaijan. According to the minister, "the latest events in Azerbaijan's political life provoked concern" within the Turkish Government. Cetin noted that Turkey would like the processes in Azerbaijan keep within the bounds of legitimacy. He urged the Azeri people to move aside internal differences and to pool efforts to oppose Armenian aggression.

Employees of the St. Petersburg Air Centre and OMON [Special Purpose Militia Detachment] paramilitary troop fighters began patrolling the Leningrad region's fields, the newspaper "VECHERNY PETERBURG" reports. AN-2 planes are presently flying at a low altitude over the fields, with OMON paratroopers aboard. They are ready to land in case of detecting harvest plunderers.

Under the headline " 'Star Wars'. Story of the 'Loss' of a Unique Space Plane", the daily "TRUD" says that "American space shuttles continue actively exploring near-Earth space. Against this background, the only flight of our "Buran" orbital shuttle nearly fell into oblivion. The impression is that the attempt to demonstrate that we are not greenhorns in this sphere either, exhausted for long the strength of the Soviet (and then the Russian) space industry. However, everything might have taken quite another turn. The point is that long before the "Buran" flight, a "space plane" with unique capacities was created in our country. But the firm, which carried out this project, fell into disfavour. In addition to it, scientists designed the plane "in the underground," without being instructed by the party and government. As a result, the unauthorized rocket aircraft never saw stars", the newspaper notes.

The army daily "KRASNAYA ZVEZDA" carries on its front page a small article dealing with special-task troops. The newspaper stresses that the Russian special-task troops are not inferior to their Western analogues, and in some cases even excel them in many respects.

The "SOVETSKAYA ROSSIYA" daily publishes the "last interview" with late Viktor Polyanichko, former head of the interim administration in the conflict zone under the state of emergency in North Ossetia and Ingushetia. The newspaper quotes him as saying that "I was betrayed on more than one occasion... As a disciplined person, I shall pursue in Russia's south a political line agreed upon with Moscow, but in doing so I shall remember that treachery has forced the whole Russia to its knees. I served until the last moment to those who later betrayed us..."

The daily "PRAVDA" carries an interview of the "Vozrozhdeniye" foundation president who emphasises that "it is to somebody's advantage to show the foundation as a powerful organization which, operating under the Supreme Soviet's auspices, is engaged in political struggle and scraping up a fortune... All this is a lie. No lawmakers have ever been on the board of the "Vozrozhdeniye" foundation", the president stressed.

Spokesman Previews Chernomyrdin's Visit to U.S.

LD2608082493 Moscow ITAR-TASS in English 0630 GMT 26 Aug 93

[By ITAR-TASS correspondents Pavel Vanichkin and Ivan Ivanov]

[Text] Washington August 26—The coming working visit by Russian Premier Viktor Chernomyrdin to the United States to be held between August 29 and September 2 will be "a new stage in the development of Russian-American relations," head of the Russian government press service Valentin Sergeyev told a briefing for journalists on Wednesday, speaking about the visit's aims and programme.

He expressed opinion that "we have been engaged in discovering each other recently: Russia 'has been opening' America and America 'has been opening' Russia".

Now that "the framework of relations between the two countries has been created and openness is growing between us and when the foreground is being taken by businessmen who are engaged in concrete talks, putting forth no political conditions, Chernomyrdin's visit will signify a qualitatively new turn in the development of Russian-American relations".

The government spokesman expressed hope that "the premier's visit will be business-like and fruitful indeed and cooperation between our countries will develop without any 'explosions' and sensations on a quiet business-like basis".

The sides will discuss cooperation in space explorations as well as in the sphere of the fuel and power industries and nuclear energy, "which will be the best proof that the U.S. business quarters and the U.S. Administration regard Russia seriously enough, as a business partner".

Sergeyev described the preliminary programme of the Russian premier's visit to the United States. Chernomyrdin will arrive in Houston, Texas, on August 29 where he will have talks with the U.S. Energy Secretary Hazel O'Leary the next day.

He will meet representatives of the Marathon and McDermott oil and gas companies and will attend an agreement signing ceremony between the U.S. Enron company and the Russian Gazprom Joint Stock Society.

Later in the day, the premier will meet a large group of the U.S. business community and familiarise himself with the operation of the L. Johnson Space Center.

On August 31, Chernomyrdin will visit the John F. Kennedy Space Centre on Cape Canaveral, Florida, where he will meet NASA Director Daniel Goldin. Later in the day, the prime minister will go to the Saint Lucie nuclear power plant where specialists will conduct a full scale simulation of the plant's breakdown and a training session on emergency measures to do away with its aftermaths.

The visit's programme will be especially packed on September 1 and 2 when Chernomyrdin will be in Washington. These days will see a plenary meeting of the intergovernment commission on cooperation in energy and space explorations, which will be co-chaired by Chernomyrdin and U.S. Vice-President Albert Gore.

The Russian cabinet head will meet U.S. President Bill Clinton, Secretary of State Warren Christopher, the American Congress leaders, address representatives of U.S. energy and aerospace business and hold a news conference.

The spokesman also said that the sides will sign a package of important bilateral documents during the visit. The two governments plan to sign an agreement on international trade in commercial services on space launchings after the meeting of the intergovernment commission.

Sergeyev also pointed to the importance of signing a memorandum of mutual understanding between the two governments on export of rocketry.

ITAR-TASS learnt from reliable sources that the agreement will help Russia to enter the international market of commercial launchings in order to support market reforms in the Russian economy. Russia's operation on this market will also create conditions for Russian organisations to offer services to international clients on commercial space launchings at prices adopted in the world without destabilising the international market.

It is expected that the agreement will cover commercial services on space launchings to put satellites into geosynchronous near-earth or geosynchronous transfer orbits.

The second document will record the mutual desire of the two governments to oppose, on a mutual basis, the spread of missile equipment and technologies which could help the development or acquisition of missile systems delivering mass destruction weapons.

Warships Visit Chinese Port

PM2508134193 Moscow IZVESTIYA in Russian 25 Aug 93 First Edition p 3

[Vladimir Skosyrev report: "Russian Warships in Qingdao"]

[Text] Beijing—On Monday a detachment of Pacific Fleet ships under the command of Vice Admiral I. Khmelnov began a visit to China. The large ASW ship Admiral Panteleyev, the destroyer Bystryy, and the tanker Pechenga entered the port of Qingdao.

The program includes the usual kind of functions involved in this kind of event: an excursion for our

seamen around the city, sports competitions, and performances by the Pacific Fleet ensemble in front of a Chinese audience. However, the political significance of the visit goes far beyond traditional naval protocol. Not for nothing will Admiral Zhang Lianzhong, commander of the Chinese Navy, be receiving a large group of Russian officers in Beijing.

Only four years ago, before the normalization of relations between Moscow and Beijing, it would have been unthinkable for Russian and Chinese ships to enter one another's ports. But after M. Gorbachev's visit to Beijing in 1989, which put an end to the long period of confrontation, ties between the neighbors have begun to develop rapidly, including ties in the military sphere. In this respect it is worth noting the recent trip to Moscow by Zhang Wangnan, chief of the Chinese Army General Staff. Russian Defense Minister P. Grachev is expected in Beijing in November.

Russia's interest in friendly relations with the PRC, particularly at the current difficult time for it, is obvious. But Beijing is also trying to expand contacts with us, mindful that its relations with the United States and other Western powers are not developing as well as they might. Difficulties with the West are not confined to the sphere of human rights observance in China, but also relate to the military-strategic sphere. The U.S. and French accord with Taiwan to sell the latter over 200 modern fighters has caused extreme unhappiness in Beijing. People here regard this decision as a step that contravenes Beijing's avowed aim of reuniting Taiwan with China.

In the light of the uncertain relations with the United States, China's present military doctrine envisages creating a "security belt" by developing good-neighborliness with adjacent countries. The main one being Russia.

PLO Representative Holds Talks in Moscow

LD2508183493 Moscow Radio Moscow In Arabic 1500 GMT 25 Aug 93

[Text] Ladies and gentlemen, Mr. Abu-Mazin [Mahmud 'Abbas], a senior PLO representative, has visited Moscow, the capital of Russia. Viktor Golikidze, a senior Foreign Ministry official, informed our correspondent about the talks in the ministry:

[begin Golikidze recording, in Russian with superimposed Arabic translation] Detailed consultations took place at the Russian Foreign Ministry on 23 August with Mr. Abu-Mazin, member of the Executive Committee of the PLO and chairman of the PLO Higher Peace Committee. Such consultations have become traditional, and members of the PLO leadership, almost every month, hold similar contacts with Russian representatives.

Abu-Mazin came to Moscow this time on the eve of the convening of yet another round of Arab-Israeli bilateral negotiations in Washington. The main topic of his talks in Moscow dealt with the situation of these negotiations. The Palestinian representative spoke about the planning done by the Palestinian delegation for the coming round of talks. No doubt, Abu-Mazin has shown interest in Moscow's position regarding the current situation in the talks, and our opinion concerning the scope of the peace process.

As a result of these consultations, the Russian side gained the impression that the Palestinian side tends to take a constructive and decisive position, and the point at issue is the discussion of a statement on the general principles of the settlement that has been debated for a long time by the Palestinians and the Israelis, with U.S. and Russian mediation.

Abu-Mazin's talks in Moscow also included a discussion of the project concerning Gaza and Jericho, and the question of handing over prerogatives to the Palestinians in the occupied territories before reaching long-term agreements regarding Palestinian self-rule in the transitional period. All these issues must be discussed in the context of the debates on the statement concerning the general principles of a settlement.

We believe that Abu-Mazin's visit to Moscow was very fruitful; the results of the consultations give cause for hope, and there are now bases for guarded optimism in forecasting the peace talks process. [end recording]

Russian Posts on Tajik-Afghan Border To Be Reinforced

PM2508193193 Moscow KRASNAYA ZVEZDA in Russian 26 Aug 93 p 1

[Aleksandr Pelts report: "Coalition Defense Forces at 'Stage One' Readiness. Commonwealth Armed Forces Units and Subunits Occupying Positions on Tajik-Afghan Border"]

[Text] Military experts have once again hurried off to Tajikistan. Representatives from Russia, Kazakhstan, Kyrgyzstan, and Uzbekistan are flying out to Dushanbe to settle specific questions. There is no time for further delay. Despite the fact that the negotiating process was on the point of starting, the armed opposition is ready to start major combat operations against Tajikistan any day.

It must be noted that it was precisely the threat of major combat operations that helped the CIS defense ministers to quickly settle practically all the main questions concerning the creation of coalition defense forces in Tajikistan at a recent meeting. Colonel General Boris Pyankov, former deputy commander in chief of the CIS Joint Armed Forces, was appointed commander of these forces. Precise dates for dispatching units and subunits to their destination, as well as the zones of their responsibility, were determined. The Russian border posts which are protecting the Tajik-Afghan border will also be significantly reinforced. Armored equipment and artillery will be supplied, and interaction with the air force

will become more precise and effective. In a word, everything is being done to cool the hotheaded Tajik gunmen and Afghan mojahedin, who are nevertheless bursting to go into action.

Against the backdrop of these alarming events, the border guards taken hostage 10 August in the Moscow Border Detachment's zone of responsibility have almost disappeared from the mass media's field of vision. They are still on Afghan territory. The editorial office has received reports that another agreement has been reached on handing them over; this should take place in the evening of 25 August. It is assumed that six Tajik servicemen taken prisoner by the mojahedin even earlier will also be released. The circumstance that the hostages are located in a detachment which is subordinate to Ahmad Shah Mas'ud, the Afghan defense minister, generates a certain amount of optimism. His armed groupings are not participating in the border provocations and are seeking the normalization of the entire regional situation.

Foreign Ministry's Balkan Plan Seen Belated

MK2508112093 Moscow KOMMERSANT-DAILY in Russian 25 Aug 93 p 4

[Sergey Tsekhmistrenko report in "Russia's Policy in the Balkans" column: "Moscow Can Be Late"]

[Excerpts] Russia welcomes the results of the Geneva talks on a settlement in Bosnia and Herzegovina and proposes to record them in a special UN Security Council resolution. This is said in a Russian Foreign Ministry statement circulated on the evening of 23 August. According to KOMMERSANT-DAILY's experts, the appeal by the Russian side to submit the agreements reached in Geneva to the judgment of the international community points to Moscow's intention to play one of the leading roles in the course of what is possibly the final stage of the Bosnian settlement. At the same time, this diplomatic initiative obviously resembles an attempt to get on a moving train. [passage omitted]

While supporting these arrangements, Moscow at the same time is convinced of the need for a greater UN participation at the final stage of the talks when "hasty and inadequate actions are impermissible." A leading role should be assigned to the Security Council, which should "already at this stage assume the role of a guarantor" of the agreement on Bosnia. In Moscow's opinion, it is necessary that immediately after the signing of the entire Geneva package a special Security Council resolution be adopted which would provide not only for "vigorous actions to implement the accords but also the toughest possible measures with respect to those who violate them."

Observers point out that throughout the talks Russia, which failed to demonstrate a clear-cut position owing to the endless battles between the Foreign Ministry and parliament, was mainly playing the role on an observer, even though the president's special representative Vitaliy Churkin took part in one of the rounds. Moreover, Washington adopted a recent decision on bombing Serb positions (fortunately, not implemented) even without consulting Moscow. Clearly, Russia cannot be content with this not only as a power that has traditionally had weighty positions in the Balkans—by remaining outside a peace settlement it can find itself in a fairly vulnerable position with respect to defending its economic interests after the end of the war in the region. It needs to be recognized, however, that at the present stage an appeal to the authority of the world community and the Security Council can hardly compensate for the absence of a strong and consistent diplomatic line at the previous stages of the conflict.

Chernomyrdin, Moldova's Sangheli Agree on Loan, Grain

AU2508182393 Bucharest ROMPRES in English 1507 GMT 25 Aug 93

[Text] Moscow ROMPRES, 25/8/1993—The Premier of the Republic of Moldova, Andrei Sangheli, had an interview in Moscow with the Russian Prime Minister Viktor Chernomyrdin, as part of intergovernmental ties between Moldova and the Russian Federation, informs MOLDOVA-PRES.

The parties established that the Republic of Moldova receive 14 billion rubles until September 1, which will enable it to pay the [electric] power supplied to it until then, in keeping with intergovernmental agreements.

Supplies by the parties to each other were analyzed, which are part of the commercial-economic agreement in force. The sides agreed on measures intended to speed up the supply of raw materials and goods. An agreement was reached on 100,000 tonnes of grains to be sent to Moldova.

The premiers of Moldova and Russia met in Moscow Vyacheslav Kebich, president of the Council of Ministers of the Republic of Belarus. Issues of interests for the three parties were tackled. Opinions were exchanged on the elaboration of documents on which to set the basis of the economic union of the CIS members, adds MOLDOVA-PRES.

Yeltsin, Shevardnadze 'Satisfied' With Talks

MK2508111093 Moscow NEZAVISIMAYA GAZETA in Russian 25 Aug 93 p 4

[Oleg Medvedev commentary in "Russian-Georgian Relations" column: "All Sides Are Satisfied with the Results of the Meetings"—first paragraph is editorial introduction]

[Text] For two days the Russian leadership has been closely attending to Russian-Georgian relations. On 23 August Boris Yeltsin and Viktor Chernomyrdin took

turns meeting with Georgian head of state Eduard Shevardnadze. And yesterday the Russian president received Vladislav Ardzinba, chairman of the Abkhazia Supreme Soviet. Oleg Medvedev comments on the results of these meetings.

The internal Georgian conflicts that Eduard Shevardnadze inherited from Zviad Gamsakhurdia have resulted in a situation where Georgia has become one of the most difficult lines in Russia's foreign policy. On the one hand, the Kremlin could not fail to provide at least minimal support to the Abkhaz and South Ossetian separatists at least for two considerations: In South Ossetia and especially in Abkhazia Russia has specific military-strategic interests; in addition, it was impossible not to take into account the kindred feelings that the non-Slavic people of the North Caucasian republics have toward Georgian Ossetians and the Abkhazians. On the other hand, it was not possible to give unequivocal support to Ardzinba and South Ossetian leader Torez Kulumbegov: That was fraught with consequences impermissible to Russia—a large-scale war in the Caucasus and a geopolitical loss of Georgia as a whole.

Proceeding from that, Russia has for a year and a half now been trying to find a common denominator for the interests of all the conflicting parties in Georgia, as well as its own interests. This, however, refers to the president's team, not to the parliament. Judging by parliament's resolutions on Georgia, the Supreme Soviet does not think it at all necessary to look for common ground as long as there are power options open. (It seems that such views are also upheld by some military, as a result of which Russia's position in the Georgian-Abkhaz conflict as a whole does not appear irreproachable).

And still the meetings that have taken place in the last few days have demonstrated the Russian president's intention toward normalizing the situation in the region, not only in the short term but also in a long-term perspective. Yeltsin had to listen to different points on view on this issue.... At the same time both Ardzinba and Shevardnadze were satisfied with the results of the meetings and highly appraised Russia's intermediary role.

Shevardnadze, according to an official at the Georgian Embassy in Moscow, after his meeting with Yeltsin with whom he managed to agree on signing a "major" political treaty as early as this September, was in such a good mood that his eyes were even "sparkling." After his meeting with Chernomyrdin, Georgia's head of state looked "even better." Shevardnadze stated that to Georgia the most acute problem is still the economy, which is in a deep crisis while its population is on the verge of starvation. Georgia is experiencing the greatest problems with energy. Shevardnadze said he had met with an understanding of these problems and also that economic agreements will apparently be signed in September.

Amid this almost idyllic mood of the participants in the talks a fairly substantive disagreement seemed somewhat inconspicuous. Yeltsin stated the need for a negotiating process "to resolve on a mutually acceptable basis the questions of state and political structure" of Georgia. Ardzinba also agreed with this approach. At the same time, Shevardnadze believes that this issue will be decided not within the framework of talks but within the framework of a new constitution, work on which is already under way. Tbilisi is ready to accept Abkhazia's and South Ossetia's autonomy but heated debates still lie ahead on the jurisdiction of these autonomous formations.

This question, which is highly sensitive to many influential people in Georgia, is extremely painful to Shevardnadze. Russia would be well advised to agree with his wish to postpone the solution of this problem and normalize its relations with Georgia without awaiting a final peace in Abkhazia but making do with and maintaining the present cease-fire.

Disengagement Plan in Abkhazia Holding

MK2508103093 Moscow NEZAVISIMAYA GAZETA in Russian 24 Aug 93 p 3

[Unattributed report in "NEGA Reports" column under "Abkhazia" rubric]

[Text] Implementation of the agreement on the disengagement of the sides involved and pullout of troops was reviewed at the 22 August session of the mixed commission on the settlement of the conflict. As is apparent from a report by the Abkhazia Supreme Soviet press center, the sides are observing the disengagement plan. In spite of the numerous deadline shifts, the question of withdrawing armored hardware and heavy armaments from the area has not yet been resolved. Note was taken of a statement by the Georgian side that a final pullout of the entire armored and tank fleet and heavy armaments will be effected either before 25 August by railway or before 1 September by sea or by air. It was decided that the armored hardware, heavy weapons, aircraft, and naval equipment spotted outside the locations determined by the protocol will be subject to immediate destruction by a special tripartite sappers group under the direction of the mixed commission.

As of 1000 on 23 August, six reinforced provisional monitoring groups will be introduced into the demilitarized zone of the eastern front. The group on military matters and security is to submit by the next session of the mixed commission a coordinated list of fortifications subject to demolition. The joint groups will continue to work on verifying the implementation of the plan and schedule for the disengagement of the sides and the pullout of troops.

The joint commission took note of a statement by the Georgian delegation to the effect that a group of Ukrainian volunteers who have fought on Georgia's side has been fully withdrawn from the territory of Abkhazia.

The sides agreed to go ahead with the manning of internal troop units. Within two days a tripartite commission will be set up to oversee the recruitment of these formations. Within a week up to 300 men will be enlisted in them.

The session also considered the question of restoring the activity of internal affairs bodies on Abkhazia's territory. In the very near future special commissions will assess and certify the officers of internal affairs bodies.

The next session of the joint commission is scheduled to be held in Sukhumi on 25 August.

Gas Supplies to Ukraine Cut Over Debt

LD2608084993 Moscow Radio Rossii Network in Russian 0800 GMT 26 Aug 93

[Text] Supplies of Russian natural gas to Ukraine fell by a quarter this morning. As an ITAR-TASS correspondent learned at the Gazprom joint-stock company, by the end of the day gas supplies to the republic will have fallen by half. We will recall that Ukraine used to consume about 200 million cubic meters of gas daily. This step has been taken by the Russian side due to the partners' large debt. Ukraine's debt for gas has already exceeded 600,000 million rubles.

Kebich Calls Talks With Chernomyrdin 'Constructive'

WS2508121493 Minsk Radio Minsk Network in Belarusian 0700 GMT 25 Aug 93

[Text] Negotiations between Belarusian Prime Minister Vyacheslav Kebich and his Russian counterpart Viktor Chernomyrdin were held on 24 August in Moscow. The ministers discussed the issue of Russian oil and gas supply to Belarus. Both sides agreed to renew the gas delivery in its full volume. This has become possible due to the fact that Belarus has made the first payments of 23 billion rubles for Russian energy deliveries. The issues of mutual relations between Russian and Belarusian industrial enterprises were also touched upon. The issue of the delivery of Russian cash to Belarus was not discussed. Speaking on the results of his Moscow visit, Vyacheslav Kebich assessed the talks as constructive and fruitful.

Oil and Gas Deal Reached

LD2508202593 Moscow ITAR-TASS in English 1710 GMT 25 Aug 93

[Text] Minsk August 25 TASS—Russia and Belarus have reached an agreement to boost Russian gas and oil supplies to Belarus.

The agreement was reached during Belarusian Prime Minister Vyacheslav Kebich's talks with his Russian counterpart Viktor Chernomyrdin in Moscow on Wednesday. In a joint communique they stressed the importance of the preparation of an agreement to enhance economic integration of Russia, Belarus and Ukraine. They agreed that there is a real chance to sign the agreement, as well as an agreement on an economic union of the CIS states in the near future.

The two sides also pledged to conduct a more coordinated financial and monetary policy which would take into account structural economic peculiarities in both countries.

Special attention during the talks was paid to the normalisation of trade and momentary turnover between the two countries and called for the preservation of a single ruble zone as a vital factor of solving key economic tasks.

U.S. 'Ultimatum' on Baltics Discussed

PM2608120093 Moscow IZVESTIYA in Russian 26 Aug 93 First Edition p 3

[Vladimir Nadein report: "Russia Could Lose $700 Million If It Does Not Withdraw Its Troops From the Baltic Countries by 6 October"]

[Text] Washington—The United States phrased with the utmost tact its ultimatum to Russia over the postponement of the withdrawal of its troops from Lithuania. "In no circumstances are we threatening Russia," said a high-ranking representative of the Clinton administration who had called journalists together and spoke to them on condition of anonymity. "But we know and they know the requirements of U.S. law."

The heaviest blows were cushioned by time. "We" is clearly the U.S. administration, "they" the Russian leadership. As far as the law is concerned, this is the so-called Freedom Support Bill whereby if the president does not report to Congress by 6 October that there are no more Russian units left in the three Baltic countries, the provision of all American aid, other than humanitarian, to Russia automatically stops.

The threat is a serious one. Of course, Russia may prefer "to go its own way," leaving its total of fewer than 2,500 soldiers in Lithuania. However, it runs the risk of losing thereby the $700 million assigned by the United States for the provision of technical aid.

For a level-headed assessment by the Kremlin of the prospects of a particular option it is important first to take account of the fact that neither the injustice suffered by the Russian population in the Baltic countries nor the excessively high compensation demands for the presence of Soviet occupation forces will be taken in the United States as justifying the disruption of the agreed timetable for Russian troop withdrawal.

The American administration may or may not agree with the positions of the sides; however, it could not with the best will in the world break the linkage between the 6 October withdrawal deadline and the $700-million aid. Incidentally, no such will does exist, since, as the high-ranking White House representative said, "the United

States continues to support unconditional and complete withdrawal of Russian troops from Lithuania and the other two neighboring Baltic states—Latvia and Estonia."

As the start of October approaches U.S. pressure on Russia will intensify. But, given that Russia's key role in the life of the vast Eurasian area is axiomatic for American diplomacy, Washington will also step up pressure on Vilnius, Riga, and Tallinn.

There is no doubt that the Baltic countries will have to be ready to make compromises. The 6 October date is critical for them, too. If what no one wants comes to pass and the Russians do not leave the Baltic by that time, hopes for the rapid resumption of withdrawal could be put off until some indefinite future date. The administration representative also confidently predicted that, in the U.S. Administration's opinion, Russia "has no desire to set difficult precedents in Lithuania."

U.S. Stance Scored

PM2508125793 Moscow KRASNAYA ZVEZDA in Russian 25 Aug 93 p 3

[Ravil Mustafin "Rejoinder": "Just What Are They Regretting in Washington?"]

[Text] The U.S. State Department has expressed its "regret" at the suspension of Russian troop withdrawals from Lithuania. According to State Department spokesman M. McCurry, Washington is concerned at the decision made by the Russian Government. It has not been ruled out that the Americans will make a "fuller statement and an appeal to Moscow to fulfill the agreement" on withdrawing the remaining Russian servicemen in Lithuania.

Washington's desire to support Vilnius and shift onto the Moscow leadership all the blame for the tension that has developed in Russian-Lithuanian relations can clearly be glimpsed behind these remarks by the U.S. diplomat. The Moscow leadership, Washington is saying, has always been the same, it has absolutely no desire to bid farewell to its imperialist ways.

Meanwhile Washington cannot fail to be aware that the decision to temporarily suspend troop withdrawals is certainly not all Moscow's fault. It is a consequence, to put it mildly, of Vilnius's dishonest position. It is well known that the draft agreement sent by Brazauskas to Yeltsin 21 May this year made no mention of the fact that Russia should pay Lithuania compensation for the time that has elapsed since 1940. The Lithuanians began demanding tens of billions of dollars at the very last moment. Without explaining, moreover, where this figure came from. It is also unclear how they did their calculations and whether they have taken into consideration the cost of the Russian property and countless facilities that Russia is leaving behind in Lithuania. And what about the sums Lithuania received from the Union budget? I am convinced that if all this were taken into account, the balance would not be in Lithuania's favor.

Needless to say, Vilnius cannot fail to be aware that these demands are aggravating Russian-Lithuanian relations and jeopardizing the timetable for withdrawing troops. Nonetheless they have proceeded along this path, seemingly convinced that they will be supported by the West, primarily the Scandinavian countries and the United States. And, as we can see, they are not mistaken.

Washington's position cannot fail to cause alarm. First, by supporting Vilnius's unjust demands, the Americans are in no way contributing to a constructive resolution of the problem. Moreover, they are thereby aggravating the situation and giving the Lithuanian leadership the illusion of possessing total license, the assurance that even their most absurd demands will henceforth find support.

Second, the United States is establishing a precedent for the other Baltic states. After all, it is no secret that the authorities in these countries are also hoping to deal with their economic problems at Russia's expense.

And finally, one cannot fail to note that by coming down on the side of the Balts, the Americans are closing their eyes to blatant mass human rights violations in these countries which have adopted basically racist laws targeted against the Russian-speaking population.

Diplomat Views U.S. Stance

LD2508172793 Moscow ITAR-TASS in English 1705 GMT 25 Aug 93

[by ITAR-TASS diplomatic correspondent Georgiy Shmelev]

[Text] Moscow, August 25 TASS—American legislation is well known in Russia, but Russia has its own assessment of the negotiation process on the withdrawal of troops from the Baltic states, a high-ranking Russian diplomat said on Wednesday.

"We believe that our explanations made in the last few days should fully satisfy those who show interest in this issue," the diplomat said.

He also commented on the statement by a U.S. administration representative who, speaking on condition of anonymity, warned in an interview with the ASSOCIATED PRESS on Tuesday that if Russian troops do not leave Lithuania before October 6, Moscow may lose about 700 million U.S. dollars in technical aid under the American law. The Russian diplomat said that the American official obviously did not have full knowledge of the matter. "In Russia we hope that a positive solution to the problem will be found in the near future," he added.

There are about 2,400 russian servicemen in Lithuania and "the process of the withdrawal of Russian troops from the country is 95 per cent complete," according to

information quoted at a news briefing held at the Russian Foreign Ministry press centre on Tuesday.

Kozyrev Promises 'Civilized' Pullout From Lithuania

LD2508194793 Moscow ITAR-TASS in English 1931 GMT 25 Aug 93

[by ITAR-TASS correspondents Aleksandr Potemkin, Yuriy Sizov, Gennadiy Talalayev, and Igor Shamshin]

[Text] Warsaw August 25 Tass—"Russia is not trying to delay the withdrawal of troops from abroad. On the contrary, it's trying to do it faster whenever it is possible," Russian Foreign Minister Andrey Kozyrev said.

In an exclusive interview with ITAR-TASS in Warsaw on Wednesday, Kozyrev said that "Russia will withdraw troops from there (the Baltic republics). But we call for a civilised way of doing it." He believes certain agreements should be signed as a "deed of honor" of the sides involved.

Commenting on President Boris Yeltsin's statement that Russia will complete the withdrawal of the northern group of troops three months ahead of schedule, Kozyrev said that Russia and Poland have "an agreement worthy of both sides."

He expressed regret over the position of official Vilnius. "Having agreed by 99 per cent its agreement with Russia, Lithuania all of a sudden put forward absolutely unjustified claims, which no state has ever made before. But in spite of this we will continue withdrawing our troops from that country, though maybe slightly more slowly than previously agreed, and, more importantly, not in such a civilised manner. This signifies that our Baltic neighbours do not want to learn from good examples," Kozyrev said.

Kozyrev gave an interview immediately after his meeting with Polish Foreign Minister Krzysztof Skubiszewski, during which they discussed bilateral cooperation, the international situation, and interaction between the two countries in international organisations. They also touched upon possible ways to end war in former Yugoslavia.

Special attention was paid to human rights and the rights of ethnic minorities in the Baltic states. In this connection they stressed the importance that Russia and Poland attach to bilateral cooperation within the Council of the Baltic States and the Conference on Security and Cooperation in Europe.

Kozyrev also met with head of the Autocephalous Orthodox Church Metropolitan Bazyli of All Poland and visited the Maria Magdalene Cathedral in Warsaw's Prague district.

Churkin Condemns Lithuanian Demands for Compensation

WS2508123493 Tallinn BNS in English 1033 GMT 25 Aug 93

[Text] Moscow, Aug 24, BNS—A Russian Foreign Ministry official chided Lithuania for linking its compensation claims to the signing a withdrawal settlement for the Russian troops.

Russia has no objection to discussing the financial claims with Lithuania, said Deputy Foreign Minister Vitaliy Churkin, but it does not stand to reason that Lithuania should tie signing a withdrawal agreement to such major issues as paymen of compensations.

When asked whether Russia accepted a suggested 146-billion-dollar price tag for the compensation, Churkin said the figure was "made up." Nor can one demand "compensation for history," he said. Lithuania wants the money to compensate for damages that occurred during the Soviet and Russian military presence in the country.

Churkin also said Russia had been "too kind" to start pulling out its forces before it reached a major agreement on the process. "Russia will learn its lessons from the Lithuanian precedent," he said.

The necessity for such agreements with all three Baltic states was recognized in one of the resolutions of the U.N. General Assembly, said Churkin. Russia has every reason to demand that the process be put on a proper formal basis, he said.

Churkin suggests that Lithuania "may have (acted under) certain pressure from Latvia and Estonia, with whom Russia also faces complicated negotiations on troop withdrawals."

Expert Assesses Russian-EC Relationship

MK2508124093 Moscow NEZAVISIMAYA GAZETA in Russian 25 Aug 93 p 4

[Article by Nikolay Topornin, director of the EC Information and Documentation Center in Russia, under "Diplomacy" rubric: "Russia and the European Community Still Have Problems in Finding Compromise Solutions"]

[Text] The East European countries are displaying great activity in joining EC mechanisms. As of now Poland, Romania, Hungary, the Czech Republic, Slovakia, and Bulgaria have an "associate member" status.

And what about Russia?

Relations between the USSR and the EC were regulated by the 1989 trade and economic treaty. Russia, as the USSR's successor, has effectively become an EC partner to the treaty. At the same time, the Russian state's transition to a market economic footing has created certain difficulties in implementing the old agreement:

The 1989 treaty was based mainly on the USSR's centrally planned economy, and on this foundation all economic links were built.

It has become urgent either to seriously revise the 1989 treaty or to adopt a new agreement. In the fall of 1992 new talks began between Russia and the EC on reaching an agreement on partnership and cooperation. Up to now five meetings have taken place at a representative level. A draft framework for a new document has been worked out. It consists of two separate blocks—political and economic. In the course of the talks provisional formulations of about 200 articles have been elaborated, which is considerably more in terms of volume than was recorded in 1989. It would seem that things are proceeding not so badly after all. There was even talk about the possibility of signing an agreement during the Copenhagen summit meeting of EC leaders (21 to 22 June this year). That, however, did not happen. Nor is it likely to during the sixth round of negotiations scheduled for this fall. What is the reason for the delay?

In the economic part of the agreement the main problem remains the creation of a free trade zone. This proposal was formulated by the Russian side and is a key disputable provision. During the fourth round of talks in St. Petersburg on 6 and 7 May of this year the EC proposed a compromise formula in the shape of "an article on future development." The essence of this article is that when the requisite economic conditions are created in Russia—and this primarily refers to Russia's GATT membership and its full correspondence to the basic principles of this organization—then it would be possible to consider the question of creating a free trade zone.

A response from the Russian delegation has not led to any solution so far. Russia proposed not only to include the said "article on future development" but also to record a provisional framework upon whose expiration it would be automatically possible to revise the entire agreement and gradually transform it into a treaty on free trade. The EC Council made a decision to incorporate the "article on revision" into the main text of the agreement whereby the agreement could be revised at the end of two years. By that time Russia can join GATT,the economic situation within the country will become clear. In other words, in two years the Community promises to return to the discussion of creating a zone of free trade, but not its automatic introduction. The Russian side still adheres to the position that the "revision article" should determine a final date for the completion of talks on the formation of a free trade zone.

There are many difficulties over the formulation of the article of the agreement that characterizes the type of Russia's economy. EC representatives insist that a central, state-regulated economic system exists in this country. The Russian delegation maintains a somewhat different point of view, justly believing that the present economic model is considerably closer to a market economy than to a centrally regulated model.

Another major obstacle in the way of an early conclusion of the new agreement is the divergence on the inclusion of a special article on human and minority rights. The EC insists—and quite categorically—that an article should be included in the main text on suspending its effects in the event of violation of human rights, the rights of ethnic minorities, and so forth. Our delegation objects to this since, in its opinion, this agreement regulates only economic matters and not political ones.

So, the negotiating process will apparently continue until at least the end of this year. The sides, although they display an interest in making progress, nonetheless are having great difficulty in finding compromise solutions.

Yeltsin, Walesa Seek To Boost Trade

LD2508192493 Moscow ITAR-TASS in English 1911 GMT 25 Aug 93

[By ITAR-TASS correspondents Aleksandr Potemkin, Yuriy Sizov, Gennadiy Talalayev, and Igor Shamin]

[Text] Warsaw August 25 TASS—Russian President Boris Yeltsin and Polish President Lech Walesa have issued an instruction to shortly draw up a list of goods and equipment for the "speediest reanimation and boosting of bilateral trade," ITAR-TASS learned from a source close to the Russian delegation currently on a visit to poland.

Deputy chairman of the Polish Council of Ministers Henryk Goryszewski and First Russian Vice-Premier Oleg Lobov will be put in charge of the work.

At a meeting with representatives of Polish business circles held at the Russian embassy, Lobov emphasised that "the time is ripe for the solution of many problems existing between Russia and Poland. Lobov admitted that the question of mutual payments had not been resolved yet. He came out for payments for export and import transactions to be made in national currencies.

In Lobov's opinion, Russia and Poland have inexhaustible opportunities for economic cooperation, including in such fields as machine-building, transport, timber and timber processing industries. In this connection, Lobov pointed out the importance of a package of eight documents signed in Warsaw today, six of which were directly related to economy.

Lobov singled out an agreement on the creation of a system of gas pipelines for the transit of Russian gas to Western Europe via the Polish territory. He said that efforts of metal workers, chemistry experts, and builders and workers from other industries will be needed for the implementation of this project.

"This is not a sheer peace-making action, but a good opportunity for creating thousands of new work places and giving advantageous orders to many Russian and Polish enterprises," Lobov said.

Kostikov on Poland's NATO Aspirations

LD2508202293 Moscow ITAR-TASS in English 1707 GMT 25 Aug 93

[By ITAR-TASS correspondents Aleksandr Potyomkin, Yuriy Sizov, Gennadiy Talalayev, Igor Shamin]

[Text] Warsaw August 25 TASS—Vyacheslav Kostikov, the Russian president's press secretary, commented on a joint Russo-Polish declaration signed in Warsaw today, saying that "undoubtedly, it is an important political document, looking into the future."

According to Kostikov, "the declaration will give an opportunity of better imagining the contours of political and economic cooperation between the two major European countries—Poland and Russia." At the same time, the document should be thoroughly studied and understood, he added.

In particular, Kostikov explained that "Russia regards Poland's desire to integrate into European institutions with respect, including into the military bloc NATO." Democratic Russia itself is participating in integration processes, Kostikov added. "At the same time, assessing the evolution of European processes, one should realize that NATO is part of the bloc system of the past." Therefore, in the opinion of the press secretary, "investing into the past is less expedient than investing into the future."

"Russia takes into account Poland's desire to integrate into NATO. Russia will assess and regard this process exclusively from the point of view of the interests of cooperation between the two countries, undoubtedly taking into account its own strategic interests," Kostikov said in conclusion.

ITAR-TASS Carries Russian-Polish Joint Declaration

LD2508162793 Moscow ITAR-TASS World Service in Russian 1505 GMT 25 Aug 93

["Joint Russian-Polish Declaration"—ITAR-TASS headline]

[Text] [no dateline as received] B.N. Yeltsin, president of the Russian Federation, and L. Walesa, president of the Republic of Poland,

proceeding from the fact that a deepening of Russian-Polish mutual understanding would contribute to the further development of equal cooperation on the principles of partnership and mutual benefit,

guided by a desire to continue the democratic reforms and to develop the economy on market principles in the interests of the peoples of both states,

and recognizing the significance of good-neighborly Russian-Polish relations for the preservation of peace, stabilization, and security in Europe and throughout the world,

note with satisfaction that the results of their Moscow meeting in May 1992 and the signing of the treaty on friendly and good- neighborly cooperation marked a new stage in the formation of relations between the two states on the principles of sovereignty and equality of rights. This meeting also gave an important boost to the process of overcoming the negative legacy of the past. The circumstances of the crime at Katyn, the culprits of which will be punished, were disclosed in an atmosphere of mutual understanding and goodwill. Efforts are being made to restore justice in relation to the victims of the Stalinist repressions and crimes. Progress has been achieved in providing free access to archives on the territory of Russia and Poland. The withdrawal of Russian troops from Poland is being completed ahead of schedule. There has been a considerable broadening of the basis of relations between Russia and Poland, backed by treaty and legislation. A review of bilateral treaties and agreements concluded earlier is being completed. Mutual trade and economic ties are becoming more active.

Relations founded on new principles have been particularly noticeable in the cross-border and regional cooperation that has developed throughout the past year and primarily in the contacts between the Russian Federation's Kaliningrad Oblast and Poland's northeastern voivodships. Two sittings of the Russian-Polish "round-table" have taken place, resulting in a number of practical initiatives and measures in the field of economic and trade cooperation, ecology, construction, agriculture, communications and telecommunications, transport, border crossing-points, and tourism.

Cooperation is developing in the humanitarian sphere and in the fields of culture, science, and education. Both Russia and Poland support the development of a comprehensive dialogue between both countries' public organizations, the Catholic and Orthodox Churches, and broad public circles.

The positive climate in Russian-Polish relations, the deepening mutual trust between both states, and the understandings reached allow present-day relations between Russia and Poland to be more and more intensively filled with a qualitatively new content.

The presidents voice satisfaction with the results of the meeting that has taken place and the hope that the decisions made and the documents signed during it will help to deepen cooperation and to spread it to new spheres.

The treaty on trade and economic cooperation is an important instrument in the development of interaction in the economic field. Favorable prospects for the economic development of both states are created by the

agreement on the construction of a system of gas pipelines for the transit of Russian gas across the territory of the Republic of Poland and for deliveries of Russian gas to Poland. Fresh opportunities for cooperation in the fields of science, technology, environmental protection, and the prevention of industrial accidents are also created by other agreements signed.

The presidents stress the special significance of the intergovernmental agreement on cooperation in the spheres of culture, science, and education signed during the meeting as well as the importance of interaction between government-authorized representatives on the issues of cultural heritage abroad. They point to the need to expand the exchange of information on the problems of democratic reform and market transformation in both countries as well as to use more broadly the potential of the press, radio, and television for these purposes. With this in mind it is necessary to develop a corresponding telecommunications and light- conducting infrastructure and to use satellite links.

While noticing the unsettled nature of the problem of mutual debts, the presidents agree that it should be solved definitively as soon as possible. The presidents agree that the unsettled nature of this problem will not affect the current circumstances and economic relations.

Assessing the potential of Russian and Polish fishing and ship- building industries as broad, the presidents pointed to the need to sign a new Russian-Polish agreement on cooperation in these areas. The presidents stress the importance of developing mutually beneficial Russian-Polish cooperation in the spheres of fishing and maritime resources on the basis of the principles of international law and objective scientific research, keeping in mind the need to solve the problem of fishing in the Okhotsk Sea.

The Polish side's preparedness to establish cooperation with Russia's Sakhalin Oblast was taken into account.

Recognizing the great importance of cooperation in the exploitation of the Baltic canal and Kaliningrad Bay, including shipping, for regional development, the presidents will adopt measures to ensure that the competent departments draw up an appropriate agreement on this question before the end of 1993, taking into account the specific economic, ecological, and technical-navigation features and the stated position of the Polish side.

The presidents consider that the relevant departments of the two states should undertake specific steps aimed at creating institutions to stimulate reciprocal trade, particularly in the sphere of providing insurance for contracts and governmental guarantees for measures of strategic economic importance.

The presidents consider that economic cooperation between the two states should be expanded and directed toward the reconstruction of mutually advantageous joint production links in industry and in other spheres of interest to the two sides.

The presidents see broad opportunities for making use of the potential for cooperation between Polish construction firms and the consumers of their services in Russia and express interest in the building of a Moscow-Warsaw highway. The corresponding departments will study prospects for developing this cooperation.

The presidents point to the need to reestablish traditional commercial transactions and to this end recommend a return to the practice of concluding an annual Russian-Polish trade protocol, taking into consideration the mechanism worked out earlier. Additionally, they recommend the conclusion of long-term trade contracts for the supply of natural gas from Russia to Poland via existing gas pipelines for a period of five years with the possibility of their extension.

The presidents emphasize the need to speed up the elaboration of a mechanism to implement mutual financial dealings based on contracts between enterprises of the two states, including the opportunity to use national currencies. The possibilities of establishing clearing houses in accordance with the provisions of the two states' internal legislation are worthy of examination.

The presidents point to the need to create favorable conditions for opening branches and departments of Polish banks in Russia and of Russian banks in Poland.

The presidents advocate the expansion and deepening of cooperation in the social and labor sphere and agree that there is a need to settle mutual accounts and payments connected with the work of citizens on the territory of both states, as well as a need to work out the principles of labor activity of Russian citizens in Poland and of Polish citizens in Russia.

The presidents stress their mutual interest in strengthening cooperation in the field of nuclear power engineering, including in concluding an intergovernmental agreement on questions of nuclear safety and radiation protection.

Continual supervision of the implementation of the agreements reached and the joint accords in the commercial and economic fields will be conducted by the joint Russian-Polish commission for commercial and economic issues.

Understanding the huge significance for Russians and Poles of guarding memorials to the victims of wars and repressions, the presidents stress the need for the earliest signing of an agreement on guarding the burial places and memorial places of the victims of wars and repressions. They consider it expedient to study the idea of creating a joint Russian-Polish foundation and to study the procedure for its functioning for the cause of preserving the memorial and burial places.

The presidents agree that the efforts being made by Poland and Russia at the United Nations and in other international forums contribute toward strengthening the stability and security of Europe and the whole world.

solving contemporary problems, and protecting human rights and those of national minorities.

The presidents touched on the matter of Poland's intention to join NATO. President L. Walesa set forth Poland's well-known position on this issue, which was met with understanding by President B.N. Yeltsin. In the long term, such a decision taken by a sovereign Poland in the interests of overall European integration does not go against the interests of other states, including the interests of Russia.

Both states intend to continue working together actively within the framework of the CSCE and also to develop cooperation with the Council of Europe, the EEC, NATO, and the WEU [Western European Union] to ensure that the democratic changes in Central and Eastern Europe are made irreversible and to foster a climate of trust and partnership on the continent.

The parties agree that the development of subregional [subregionalnyy] cooperation within the framework of the Council of Baltic States, the Visegrad group, and the Central European Initiative is an important element in the emerging overall European partnership.

Russia and Poland reaffirm that they will continue to strictly observe international agreements in the sphere of disarmament and arms control and accords on strengthening the regime for the nonproliferation of nuclear weapons.

The foreign ministries of the two states will continue the interaction between Russia and Poland in the international arena, in the process of agreeing on the principles of cooperation on international questions, and in perfecting the mechanism of mutual consultations connected with world and European policy.

The presidents express confidence that the stable and all-round development of Russian-Polish cooperation in all spheres meets the interests of the peoples of both states and the cause of peace and security in Europe and will contribute to the harmonious integration of Russia and Poland into the community of democratic states and the world economy.

The presidents gave instructions that work should be continued on the concept of establishing a consultative committee under them on Russian-Polish relations.

The presidents reaffirm their readiness to maintain a regular dialogue at summit level.

[dated] Warsaw, 25 August 1993

[signed] B. Yeltsin

L. Walesa

Political Issues

Council of Ministers Presidium Views Winter Fuel Supplies

LD2608111193 Moscow ITAR-TASS World Service in Russian 1010 GMT 26 Aug 93

[By ITAR-TASS correspondents Oleg Velichko and Pavel Gordeyev]

[Text] Moscow, 26 Aug— At today's meeting chaired by First Deputy Prime Minister Oleg Soskovets, the presidium of the Council of Ministers studied the question of supplying the economy and the Russian population with fuel and electricity for fall-winter 1993-94.

Speaking at the meeting Yuriy Shafranik, minister of fuel and power engineering, noted that volumes of fuel production estimated for the first six months have in general been achieved. However, he noted, the situation in fuel and power engineering industries remains tense. Volumes of extraction and production in fuel and power engineering industries are on the decline, while the production and investment activity of the enterprises in the industry are paralyzed by the acute financial crisis.

The Presidium of the Council of Ministers has decided to draft and adopt in the very near future a relevant governmental resolution.

Poltoranin Requests Abolition of Center; Release From Post

LD2608083193 Moscow Ostankino Television First Channel Network in Russian 0800 GMT 26 Aug 93

[Text] Mikhail Poltoranin, head of the Federal Information Center, has told INTERFAX that he has prepared and handed to the president of Russia the draft of a decree on the abolition of his center and on his release from his post.

Glazyev Resignation Reportedly Not Accepted

LD2508143793 Moscow ITAR-TASS in English 1434 GMT 25 Aug 93

[By BUSINESS-TASS]

[Text] Moscow August 25 TASS—The press service of the Russian Government has not confirmed yet reports, earlier received by BUSINESS-TASS, saying that the resignation of the Russian minister for foreign economic relations, Sergey Glazyev, was not accepted.

Sources from the Russian Economic Ministry told BUSINESS-TASS today that Sergey Glazyev returned to his office after a closed session of the Russian Government and continued to perform his duties.

Glazyev handed in an application for resignation on August 21, after his visit to African countries had been suddenly interrupted following charges brought against him by a commission of the Council of the Russian Ministry of Security for Combating Crime and Corruption.

Former Economy Minister Believes Glazyev Not Guilty

MK2508104093 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 25 Aug 93 p 2

[Unattributed report: "Attacks on Gaydar Team Step Up"]

[Text] Former Economy Minister Andrey Nechayev has told a MOSKOVSKIY KOMSOMOLETS correspondent that he fully trusted his former deputy, Yuriy Olkhovikov, in virtually all day-to-day matters, but, maybe, he should have exercised better control over him (It is well known that Mr. Olkhovikov was dismissed the other day on a charge of misuse of office). As for Sergey Glazyev, Russian foreign economic relations minister, who resigned following similar accusations, Andrey Nechayev has long known and valued him as a high-class professional: "I do not rule out that Glazyev may have made mistakes, but corruption-related sins are out of the question."

Is Mr. Nechayev himself afraid of criticism that may be in store for him? Andrey Alekseyevich replied:

"I am 101 percent clean. But, alas, the anti-corruption fight has been overly politicized and turned into a campaign serving expedient purposes. Attacks on Gaydar's former team are on the increase. This is why I do not rule out that some allegations may be fabricated against me also."

Misuse of office should be combated not only by direct administrative punishments, but also strategically. First, the state's intervention in the economy should be reduced, thus eradicating fertile ground for corruption; second, a social safety net should be created for civil servants, including guarantees and benefits. Then the bureaucrat will treasure his job. In Germany, say, where this has long been the case, there is a special code for bureaucrats, Former Economy Minister Andrey Nechayev recalled in his interview with MOSKOVSKIY KOMSOMOLETS.

Entrepreneurs Appeal For Meeting With Chernomyrdin Over Glazyev

PM2508133093 Moscow PRAVDA in Russian 25 Aug 93 p 1

[Report by Vladimir Potapov, plus open letter to the Russian leadership, signed "Members of the Russian Ministry of Foreign Economic Relations Foreign Economic Policy Council," under the general heading "Kremlin Scandals. The Regime Wants To Slam the Door Hard Enough To Make Russia Shake": "Blow Against the State"]

[Text] An extraordinary session of the Ministry of Foreign Economic Relations Foreign Economic Policy Council was held at the Ministry of Foreign Economic Relations in Smolensk Square. The council brings together a large group of Russia's most influential entrepreneurs. There was just one item on the agenda—a discussion of the situation surrounding the possible resignation of Foreign Economic Relations Minister S. Glazyev.

The council members agreed unanimously that this was a "planned provocation," with "corrupt and mafioso circles launching a direct attack on state officials who defend Russia's national interests." The entrepreneurs named V. Shumeyko as the political executor of this specific action.

PRAVDA will come back to this topic. But today we publish the text of an open letter addressed to the country's leadership. [Potapov ends]

An emergency session of the Russian Ministry of Foreign Economic Relations Foreign Economic Policy Council was held 24 August; the council unites leaders of leading enterprises and organizations participating in foreign economic activity.

The council members are seriously concerned about actions undertaken against the Ministry of Foreign Economic Relations and Minister S.Yu. Glazyev personally. These actions can only be seen as a provocation by politically irresponsible structures.

We see the intrigue which forced S.Yu. Glazyev to announce his resignation as new evidence of total disorganization in the government apparatus, gross irresponsibility with regard to international commitments, and disrespect and downright rudeness not only toward the minister and the department he heads, but also toward Russia's business circles.

The blow against S.Yu. Glazyev is a blow to our hopes for constructive work by the government. Entrepreneurs cannot link their future to a government for which apparatus games, self-interest, and the problems of personal political survival mean more than Russia's fate.

The council members unanimously support the work being done by the Ministry of Foreign Economic Relations under S.Yu. Glazyev's leadership to impose order in foreign economic activity. Our views do not always coincide with the ministry's position, but we can see that Minister Glazyev defends state interests in every situation, always seeks open dialogue with industrialists and entrepreneurs, and is a professional of whose honor and civic responsibility we have not the slightest doubt.

The council members adopted the following decision at the 24 August emergency session:

1. To ask Minister S.Yu. Glazyev to withdraw his resignation;

2. To demand that the Government—Council of Ministers of the Russian Federation set up a commission to investigate the circumstances surrounding the disruption of the official visit by a government delegation headed by Minister S.Yu. Glazyev, with the participation of representatives of Russian business circles, to Tunisia, South Africa, Zambia, Mozambique, and Egypt;

3. To ask V.S. Chernomyrdin, chairman of the Government—Council of Ministers of the Russian Federation, to meet with representatives of the Russian Ministry of Foreign Economic Relations Foreign Economic Policy Council to discuss the situation that has arisen.

[Signed] Members of the Russian Ministry of Foreign Economic Relations Foreign Economic Policy Council.

Further on Appeal

MK2508123093 Moscow KOMMERSANT-DAILY in Russian 25 Aug 93 p 3

[Georgiy Bovt, Svetlana Sukhova report in "Session of the Council on Foreign Economic Policy" column: "Entrepreneurs Disagree With Glazyev's Resignation"]

[Text] Yesterday at the Ministry of External Economic Relations [MEER] an emergency session of the MEER Council on Foreign Economic Policy was held. As a result of an hour-long discussion it was decided to appeal on behalf of the council to President Boris Yeltsin and Prime Minister Viktor Chernomyrdin not to accept Sergey Glazyev's resignation (see KOMMERSANT-DAILY of 24 August). At the same time, the appraisals made at the session point to the conclusion that some Russian business circles regard the resignation of the MEER minister not so much within the context of struggle around the strategic directions of reform as a result of rivalry between the cabinet members linked with the interests of different circles of the business community.

Sergey Glazyev's resignation was the sole item on yesterday's agenda. In an open letter to the president and the prime minister the council described it as a result of "intrigues and provocations on the part of a politically irresponsible structure." "The entrepreneurs cannot link their future with the government to which apparatus games, selfish interests, and personal survival mean more than the destiny of Russia," says the letter. Glazyev was not present at the session, which was chaired by the council cochairs—Aleksandr Ageyev, head of the MEER's main department for strategic planning and development; and Viktor Litvinenko, general director of Liko-Prommarket.

Neither did the council members ignore Vice Premier Vladimir Shumeyko. According to Vladimir Bey, chairman of the joint stock company Polisprom, "a number of mafia-style structures led by Shumeyko have approached so close that they could strike a blow at a state official.... Now it is the turn of those representatives of the business community who have supported MEER

policy in the last six months." Vladimir Piskunov, president of the MPP [expansion unknown] Yakutalmaz, described the hasty cancellation of the MEER delegation's visit to Africa as a crude move which seriously complicated Russia's relations with a number of African countries. A similar formulation is present in the open letter.

The charges of corruption leveled against Glazyev were rejected. According to Lev Vaynberg, president of the Russian Association of Joint Ventures, the minister had nothing to do with oil deliveries to India and Bulgaria since at that time he was not a minister and was not engaged in operational work. "It is former minister Petr Aven or his first deputy Vladimir Shibayev who supervised that contract that must be called to account," Vaynberg declared. Today Shibayev is head of Russia's trade mission in Finland. At the same time, speakers pointed to Glazyev's major role in steadying the rate of the ruble, increasing the share of machine-building products in Russian exports, and in achieving a 9-billion [currency not specified] surplus in the country's trade balance.

The reaction of part of the business community to Glazyev's resignation suggests that the scandal following the press conference by members of the interdepartmental commission is just beginning. And it is not clear yet whether Glazyev has become a pawn in the game with the participation of far weightier figures and whether this scandal has not gone beyond the control of its initiators. At any rate, Chernomyrdin's remark made yesterday at a meeting with Belarus Premier Vyacheslav Kebich that "it is too soon" to make conclusions about Glazyev's resignation indicate that this story will have a continuation.

Industrialists, Entrepreneurs Protest Glazyev Dismissal

LD2508160293 Moscow ITAR-TASS in English 1422 GMT 25 Aug 93

[By ITAR-TASS correspondent]

[Text] Moscow August 25 TASS—The Russian Union of Industrialists and Entrepreneurs expressed serious concern over the situation that compelled Sergey Glazyev, Russian minister of foreign economic relations, to resign.

The statement issued by the Russian Union of Industrialists and Entrepreneurs on Wednesday [25 August] says the union regards as unsavoury and deplorable the situation "when a Russian minister is forced to resign without a thorough analysis of his activity by either the government or the president".

"First of all, it is for the government to assess Sergey Glazyev's activity for a brief period as minister of foreign economic relations", the document says. "But broad sections of industrialists and business people cannot remain indifferent when the Cabinet of Ministers becomes a scene for the settling of accounts and for political intriguing. This adversely affects reforms and damages the country's economy".

The union asked Glazyev "to show restraint and not to insist on his resignation". The union also asked Yeltsin and Chernomyrdin "thoroughly to analyse the personnel policy and to give an honest and principled appraisal to it".

Speculation About Fuel Minister's Possible Dismissal

PM2508124793 Moscow IZVESTIYA in Russian 25 Aug 93 First Edition p 1

[Sergey Leskov report: "Series of Government Resignations: Personnel Changes Expected in Fuel and Energy Ministry in Wake of Economy Ministry and Ministry for Foreign Economic Relations"]

[Text] Documents published by the Commission for the Struggle Against Corruption and the presidential administration's Control Directorate accuse three departments—the Ministry of the Economy, the Ministry of Foreign Economic Relations, and the Ministry of Fuel and Energy—of economic transgressions. Storms are currently breaking in the first two departments: Deputy Minister of the Economy Yu. Olkhovikov has been removed and S. Glazyev, leader of the Ministry of Foreign Economic Relations, has handed in his resignation.

Note that the documents do not contain hints of corruption, personal interest, or bribery of state officials. It is a question of shortcomings and omissions in the work of state structures. But what has corruption to do with this then?

Nevertheless Minister S. Glazyev has handed in a resignation application which, according to reliable sources, may be accepted on Tuesday or Wednesday. O. Lobov, who heads the Ministry of the Economy, responded more coolly to the accusations and seems to believe that the sacrifice of his deputy will satisfy his opponents' thirst for justice. Observers who know their way around the Kremlin offices claim that two of these departments were chosen as the first target because, in some areas, their leaders gravitate toward the wing that is usually described as "conservative."

At any rate the Ministry of Fuel and Energy is still keeping aloof from the cadre storms although the published memorandums pay considerable attention to its activity. IZVESTIYA has learned from reliable sources at the Ministry of Fuel and Energy that this department's apparatus is preparing to repel the next attack, which may presumably be launched against Minister Yuriy Shafranik, who also recently took up this post.

However, it will be harder to "topple" this minister than his colleagues. It is known that Prime Minister V. Chernomyrdin, who himself sprang from the fuel and

energy complex, is favorably disposed toward Yu. Shafranik and will hardly fail to stand up for him. On the other hand, an attack on the leader of the Ministry of Fuel and Energy would attest to the commission's objectivity and political neutrality.

The minister's saving grace may be the fact that, with winter almost upon us, it is extremely risky to organize a reshuffle in this department. In this situation it seems more likely that the sword of punishment will be raised over one of the deputy fuel and energy ministers, but no observer would venture to predict whether the ministerial "sacrifices" will stop there.

Fedotov Interviewed on Resignation, Future Work

PM2508125993 Moscow IZVESTIYA in Russian 25 Aug 93 First Edition p 2

[Interview with M. Fedotov, former minister of press and information, by Georgiy Melikyants; date, place not given: "Mikhail Fedotov: My Resignation Has Been Accepted Owing to My Transfer to Other Work. Only the President Knows What Other Work"]

[Text] [Fedotov] In my resignation statement I explained the reason for my quitting as minister. This being the insistent endeavor by the Supreme Soviet, present convocation, to curb the freedom of television, radio, and the press. I cannot stand by while the mass media are stifled and, what is more, be forced to promote this black deed.

However, in the same statement I wrote that I am willing to be of use in state service in the future. I see from the wording describing my being relieved of my post—"in connection with transfer to other work"—that the president took this into consideration. I hope that my new appointment will be closely in line with my knowledge and experience.

[Melikyants] You have been elected chairman of the Russian Authors' Society [RAS]. Isn't that your new appointment?

[Fedotov] No. I receive no salary as chairman of the RAS. My deputies are the composer Vladimir Matetskiy and the poet Andrey Voznesenskiy.

[Melikyants] A rumor is circulating that you are going to Paris, to UNESCO.

[Fedotov] I have received no official documents to that effect.

Rutskoy Scores Yeltsin Flouting of Legality

PM2508154193 Moscow ROSSIYSKAYA GAZETA in Russian 21 Aug 93 First Edition p 3

[Article by Vice President Aleksandr Rutskoy under the "Politics" rubric: "Who Is Pushing the Country Into the Abyss?"]

[Text] A large number of articles have recently appeared in the pages of many newspapers, particularly those of a "democratic" trend, whose main subject has been: democracy in danger, a coup d'etat is being planned in the country. It was notably this thesis that lay at the heart of an article by political scientist A. Kiva in IZVESTIYA (27 July and 7 August) and his other articles and speeches. Reading them, it is not hard to note that radical democrats are persistently trying to implant the thoughts in the minds of a number of people in power, including Russian President B.N. Yeltsin, into public awareness under the guise of an "objective analysis" of the prevailing situation in the country. More and more of these articles are appearing as the processes of the destruction of the economy and the remains of the state administration system snowball.

I consider it my duty to analyze certain articles by political scientists carrying out a special order on the subject of a "coup d'etat."

To my mind, the appearance of these and other materials clearly testifies to the fact that the "death throes of the ruling regime" really are starting. This is also confirmed by the hysterical tone of the statements of the president's press secretary and leaders of "Democratic Russia." These forces are losing control of the situation in the country and see the new wave of confrontation in society as a way of saving their positions, which have become very unstable.

What are the basic reasons for the impending death throes? First of all, there is the awareness, on the part of the majority of the population, of the pernicious political and economic consequences of the April referendum.

Second, there is the practical understanding (partly through the purse and the low standard of living) of the fact that the president and his entourage have deceived the population by handing out dozens of promises of trillions of rubles, but not carrying out a single one. Furthermore, prices are rising, inflation processes have intensified, the fall in production is continuing, the army is collapsing, and the birth rate is falling catastrophically throughout Russia's territory. The social sphere is collapsing: Housing and health protection have become simply inaccessible to many Russians.

Third, the faith of the population and of the regional leadership in the present government headed by Viktor Chernomyrdin is falling. A government which has shown its inability to even begin to get the country out of the crisis, but which has displayed the propagandist abilities of hoaxers of the population, first before the referendum, and then during the Constitutional Conference. Despite lulling rumors by the top government officials about the "slowing up of the slump," the "stabilization," and the entreaties of "let us work," there is no reason for optimism. The fall in the production of petroleum alone—by 14 percent in the first half of this year—

speaks for itself. The wave of strikes is growing, and political demands for the government's resignation are being made.

Fourth, the top Russian leadership has still not elaborated a program of action in the political, state-legal, and economic spheres. There are few practical workers in the government and the president's administration. Forces operating from without are continuing to keep both the government and the administration in the state of a narrow sectarian scientific circle with its own snobbery, inherent in such formations, whereby those who are not in it, or are not entirely like-minded, are immediately considered alien and their proposals are swept away. That is precisely what leading economists, political scientists, lawyers, and business executives who were not infected with the crazy ideas of pseudodemocracy have experienced at first hand. Entire scientific collectives, which have a huge reserve of intellectual and practical resources at their disposal, have never been called upon.

Fifth, the attempt to impose a new presidential (dictatorial) Constitution on society by brute force has failed. The results of the first sessions of oblast soviets of people's deputies are already graphically testifying to this. The claim that the "absence of a new constitution is hindering the grain harvest and the production of industrial output" (this idea belongs to the prime minister), is being received with amusement, to put it mildly.

Sixth, the reinforcement of the processes of sovereignization and regionalization clearly testifies to the center's inability to propose an effective model of interaction with the regions and the construction of the new Federation.

Seventh, the West has demonstrated its desire not to be hasty with economic and financial support, restricting itself to mere symbolic sums, and even these are being credited on terms which are not very advantageous to Russia. Recent actions, in particular those of Germany, show once again that the present Russian power's stock of trust on credit has essentially been exhausted.

Therefore, all statements about "support for the course of reforms which has been demonstrated by the people" now look like a fig leaf which is being used in the attempt to cover up the complete failure of this course.

It is specifically the failure of the president's economic and social policy, the setbacks in foreign policy, and the growing dissatisfaction of the servicemen, which demand that the country's present leadership should switch on the propaganda machine at full force in order to divert the population from vitally important problems via a search for the latest enemy apparently to blame for the failure of the reforms.

The president and his entourage naturally understand that it will be practically impossible to duck responsibility for everything that has been done, and therefore they are prepared to go "into their last and deciding" battle, having conducted a prelimir ary "artillery softening-up." But a question arises in this connection: Against whom and on behalf of what should it be conducted if power (in the broad sense of the word) belongs almost in its entirety to the president and his entourage, the government and the "oprichniks" [members of administrative elite under Czar Ivan the Terrible]—the president's representatives in the localities?

It is no coincidence that the idee fixe of a "conspiracy" forms the basis of many articles, as I have already stressed. As A. Kiva stresses in IZVESTIYA 27 July, "to call a spade a spade, a conspiracy is brewing in the country... against the people and their will."

Again the question arises: Which people? If it means the people who have been robbed and driven into poverty by the "reforms," who have been forced to flee the lawlessness and violence of the so called "nearby foreign parts," the people whose hundreds of thousands of representatives were casualties of interethnic conflicts, then a conspiracy against them has already been carried out as a result of actions which can be categorized as betrayal and complete disregard for the opinion of the majority of the population of what is now the former USSR.

And the "opinion of the Russians," which is being thrust on us today is actually the opinion of 5 percent of the population who are feasting and growing fat by completely plundering the remaining 95 percent. It is this minority, a significant proportion of which is no more than the criminal fraternity, which has become intertwined with the machinery of state power, that is trying to operate outside the law, discrediting real entrepreneurs who are trying to live according to the law and are hoping for the creation of conditions for a civilized market.

I am sure that the time will soon come when we will have to live by the law, because we can no longer live by the principles of total license which are professed by the "democrats" today. What we have now is not democracy, it is not a civic society, but a state-mafia dictatorship, which does not wish to be aware of the national-state interests of Russia and the Russians. Therefore the demands of the sociopolitical movements and labor collectives to return to the clear-cut implementation of laws and the re-establishment of constitutional law and order, and demands that security, fairness, and prosperity be ensured, have nothing to do with a "conspiracy against the reformers."

A. Kiva's conspiracy thesis makes you remember an idea of his (in another publication a week before), to the effect that "preparation for civil war always begins with the whipping up of hatred, instinctive fear... and the creation of myths."

And in practice, this is precisely what Kiva and his associates are involved in. And how could they not be if the president's entourage flings threats at society every day and indeed the president himself states that he will sort everyone out in September. The whipping up of

hysteria, the creation of a feeling of uncertainty among the population—is this not the best testimony to the blatant disrespect of the powers toward their own people?

A. Kiva's words to the effect that this is "clearly a product of the sick state of the minds of people who have become victims of confusion and the loss of social bearings and moral props" fit ideally here. I can only agree with his idea that today in Russia we "are dealing with a serious social illness—political schizophrenia. The whole question is how deeply it will affect society."

But if we are talking about a coup, then naturally the question arises of its driving force and aims. And here A. Kiva has nothing original to say. According to him, the driving force is the soviets, and primarily the Russian Supreme Soviet headed by its chairman. And the "extremists" are carrying out various orders. Furthermore, the fact that this Soviet contains Yeltsin's very close comrades-in-arms, including Presidential Administration leader Filatov and his deputies, Volkov and Krasavchenko, is bashfully avoided. The fact that the attempt to gather signatures to block the activity of the Supreme Soviet and the Congress of People's Deputies has ended in complete failure is kept silent. But a short memory for history has always done people a disservice. The president did not appear out of thin air in Russia, but as a result of the activity and decisions of the same Russian Supreme Soviet. So that this is a question of someone spitting into a well without thinking of the possible drought. But let us be guided by elementary logic. If we proceed from the premise that the soviets as an organ of power have been illegitimate since 1918 (and that is precisely what follows from the president's speech at the Constitutional Conference), then the present Supreme Soviet and the Congress of Russian People's Deputies, which made amendments to the country's existing Constitution and created the institution of presidential power, are also illegitimate. Hence the president, who came to power as the result of decisions of an illegitimate organ, has no authority. There is no way out of that.

Is it possible that the authors of the president's report at the Constitutional Conference did not see the consequences of such an approach? After all, there is not much difference between suggesting to the president that the communist party is guilty of everything, and then the soviets, to stating that the people are a hindrance. Yes, maybe even their existence in Russia is illegitimate, if you follow the president's logic.

In general, to my mind, reasoning that apparently the Supreme Soviet and the Congress reflect a "correlation of forces in society which has disappeared without a trace" testifies only to the fact that political scientists of this sort have not ventured out of Moscow today. You only have to recall the results of the recent elections of heads of administration in a number of regions in Russia, as well as by-elections of people's deputies, to understand precisely what trends in the country's political life are forcing their way though with increasing confidence.

They have also forgotten that Boris Nikolayevich is historically bound up with the "accursed communist past" to a far greater extent than the people's deputies. Thirty years' loyal service in various CPSU apparatus structures, including the highest, do not disappear without a trace. They are visible even today in the style and methods of work. Incidentally, the same style and methods which played a deadly role in the fate of the party itself.

It is being stated that the Supreme Soviet intends to perform a "constitutional coup." I am sorry, but if various decisions are adopted in full accordance with the valid Constitution and legislation, then what coup can there be a question of? This is simply ignorant, particularly if you consider that people's deputies operate openly when they adopt various decisions, and they do not frighten the people with the "umpteenth option."

This is a question of something else. The Russian Supreme Soviet, just like the organs of representative power in the localities, is the most serious, and, most importantly, the legitimate (and that is precisely what it is) obstacle on the path of those who would like to plunder the country on an even greater scale, those who are openly trying to turn it into a raw material adjunct, or who want to cancel out our state's past and fling dirt at it.

In their desire to eliminate the soviets, none other than the president and the radical democrats who are manipulating him are bringing about a change in Russia's social and state structure according to formulas from outside, not having received the mandate for this from their own people, and only interpreting the results of the referendum to their own advantage as an apparent "national decision on the need to dissolve and reelect parliament."

"Various versions of our resolute actions were being prepared, which will definitely be carried out," the president stressed following the period of inarticulate silence. Appealing for an end to be put to the duality of power (created by himself as a result of the intrigues of his entourage), the main task put forward was "elections to the new parliament" (but who today can say what it should look like? Or will its structure also be determined by presidential decree?), which "must definitely be held in the fall of this year" (without a law on elections, but with minimum time for an election campaign according to the model of the presidential campaign in 1991).

"If the parliament itself does not adopt a decision about this (but so far no one, not even the president, has officially addressed such a question there), then the president will adopt the decision on its behalf." That is a simple plan: One person adopts a decision for the whole of Russia.

What is this? Words let slip by accident, uttered at a moment when he was not looking at the text written by the ideologues of "democracy"? Or is it the president's clearly expressed stance in respect of methods of state construction and conducting reforms? Unfortunately, it is most likely the latter. Everything, including the speech in the Press Center and the press conference only confirm the confrontational nature of the president's actions over the past two years.

The desire to resolve Russia's problems by eliminating representative power and by means of ideological manipulations and economic experiments only shows that the president and his entourage are not in a position to offer society a real program for getting out of the crisis, which would have a nationwide character and enjoy the real support of the majority of the population. Therefore, all the logic amounts down to one thing: "we cannot get by without political will on the president's part and without the president's adopting deeply considered but difficult decisions."

Here A. Kiva really is right: We need decisions (and we have needed them for a long time), and not demagoguery or populism. It really is the time to stop and think, since the foundation of Russian statehood is so covered with fissures that, as a result of a careless movement in the top stories, it may fracture and bury everyone under it: the left-wingers, the right-wingers, and the centrists alike.

And the hurry—in dispersing the Supreme Soviet—can be explained by a fairly simple thing: the introduction of dictatorship by whichever means possible. Incidentally, there is no need to be naive and think that soviets at other levels will not go the same way as the Russian Supreme Soviet.

Here I would like to make a special proviso. Those who are pushing the president with all their might into implementing such a scenario cannot fail to understand that this cannot be done without military strong-arm support. But I think that these gentlemen simply do not conceive of the fact that the unity of the army and the people is not a universally accepted concept. Of course you cannot exclude the presence of those who may take up arms for various reasons. It is these people whom I would like to remind of the lessons of the ancient and not so ancient history of the Russian Federation, and instruct them to think very hard whether the use of force against their own people can be justified by anything, and whether you should allow yourself to be dragged into a game without any rules, victors, or vanquished, participation in which will inevitably cost everyone a very high price indeed.

Why do these people need dictatorship? The answer is simple: To legalize all their illegal actions and the things they have plundered, and shut the mouths of sociopolitical movements which do not agree with the present policy, and then those of all the people. And mainly, to shed responsibility for the destruction of a state and the ruination of the country's economy.

But let us return to the "difficult decisions." It turns out that, having found himself in his post for over two years now, the president has not been capable of this, but is ready now! But let us think seriously about the aforesaid: "difficult decisions." Difficult for whom? For the president, who is losing control of the country, or for the people of Russia? And what does a course of reforms mean if it leads to new difficulties rather than an improvement in the lives of the population? Maybe we have had enough difficulties...

How do the radical democrats see the way out of the crisis? It turns out that they do not see it in the improvement of the economic system, and not in conducting real reforms in society's interests, but in immediate elections of a new parliament: "We must aim for the speediest reelection of the legislators. The best option would undoubtedly be the Constitutional Conference mechanism."

So, they have talked themselves into a situation whereby it is openly being proposed that people take the unconstitutional path, without paying attention to the existing legislation or the Constitution.

Think about A. Kiva's words: "And he who is not in a position to cope with the impending chaos and lawlessness and 'establishing order in the country' will definitely be deprived of the trust of the Russians, even if he receives the international 'fighter-legitimist' prize." This means that in orer to keep the trust of the people, you have to travel the path of ignoring the law.

This is upside-down logic. This is when the thirst for "establishing order in the country" by any method is understandable. And I do not doubt that the experience of the actions against the May Day demonstration in Moscow will be placed at the heart of the mechanism of such actions.

And as for the "fighter-legitimist" prize, then Yeltsin has no chance at all here. Maybe he can get into the Guinness Book of Records for the number of violations of the law and the Constitution, and complete disregard for the decisions of the congress of People's Deputies, the Russian Federation Supreme Soviet, and the Constitutional Court.

And I would like to ask the fervent champions of a "civilized rule-of-law society" and the rostrums of "Democratic Russia" and the "democratic press": In which state in the world—which civilized state, naturally—could the president allow himself to ignore the decisions of the legislative and court organs and the fundamentals of the Constitution like this? Don't bother looking on the map. There is only one—Russia today.

To what can these actions be attributed? First—the president and his entourage have practically no possibilities left to proceed legitimately today. Their ability for dialogue and practical interaction between various political and social forces has virtually been exhausted, and they do not have enough ability for constructive thinking

and actions in the interests of the state any more. And indeed did they ever have this ability?

Second—the absence of a mechanism of accountability in respect of the top officials for violating laws and the constitution. Hence the impunity: I do what I like.

We are being convinced that we need a strong power. No one is disputing this. But we need a strong power based on the law, and not a power of coercion based on the whims of one leader or a group of dishonorable and immoral people standing behind his back. These people have forgotten, or most likely they simply do not want to know or be guided by, the principle—democracy in society consists primarily of the fact that everyone is equal before the law and everyone without exception should carry out this law.

A. Kiva calls on the president to adopt all the necessary measures "to put an end to the psychological war which the 'hard-line opposition' with the active participation of the Supreme Soviet leadership is waging against the executive." Surprise, surprise. It turns out that the executive is being subjected to so many attacks on the part of the mass media that the poor vice premiers, ministers, and ideologists of pseudodemocratic reforms from "Democratic Russia" are not allowed onto radio and television. But do we not know who is waging a psychological war against their own people and how, having turned television into "news from the fronts," who is openly lying to their country, announcing the correctness of the path they have chosen, who is buying television air time and to what ends, and who is implementing censorship and how?

"It must also be explained to the people why the fight against corruption and other antisocial phenomena is proceeding with difficulty, and who or what is hindering it," A. Kiva stresses.

I fully agree. But how can this be done when the state officials against whom criminal proceedings have been instituted are sitting on various kinds of conferences both on the right side and the left side of the president. How can you fight against crime and corruption when the directorate of the president's bodyguard, the Presidential Administration Monitoring Directorate, and the Directorate of the Interdepartmental Commission for the Fight Against Crime and Corruption, in full accordance with what Boris Yeltsin has said, sometimes seek out compromising materials about their opponents, while protecting their own people, and even covering up for them; moreover, they even try to attract to their side those who are at odds with the law, promising them protection.

At the same time, in their choice of methods, they are not embarrassed to fling mud at those who are fighting against crime and corruption by real deeds rather than just in words. And certain mass media, instead of giving assistance in this fight, are involved in circulating fabrications and blatant lies. The answer is simple: A number of "toilers of 'pen and screen'" chose such a "difficult" sphere of labor for one simple reason—where people are good at stealing, they also pay well. I have already said, and I will repeat today, partly for the benefit of A. Karaulov: These people do not even have enough conscience to be 100 percent committed to their baseness.

The narrow-mindedness of A. Kiva's approach is also manifest in his claim that there are only two models of post-communist development: the state-capitalist model [sentence as published]. To reduce the whole variety of possible paths of development of a unique country such as Russia to such a primitive outline is simply frivolous. And the attempt to impose an exclusively liberal-democratic model on our country, and indeed one with a slant toward colonial-criminal "democracy," is by no means coincidence, because at the heart of such an attitude lies a rejection of our country's historical experience and of any regard for Russian realities. But the Russian people will never accept the propagation of immorality, lack of spirituality, lies, and coercion.

A change of forces has occurred in the country in favor of sober-minded and patriotically inclined people. And any attempt to change this by force and to impose coercion as a means of conducting political struggle will end in one thing: the inevitable defeat of the adventurers and "double dealers."

Elections, but not separate parliamentary elections (this would only exacerbate the situation)—simultaneous parliamentary and presidential elections are the only way out of the prevailing socioeconomic deadlock and power crisis. We need to pluck up courage and admit all this. This decision will certainly have to be taken by legitimate means. The transition to such a decision lies via the immediate elaboration and ratification at the Congress of laws on the parliament, on presidential and executive power, and on parliamentary and presidential elections. And then the new organs of legislative and executive power will have to deal with the Constitution. I believe that we do not have any other option which would enable us to avoid an increase in the destructive confrontation in society.

People first believed in the president 19 August 1991, they believed in the sincerity of the intentions to put into effect the principles of democracy and carry out reforms. But they, who stood unarmed in the wind and rain in a living defensive ring, protecting the first shoots of democracy, have simply been deceived.

As for what the president said about me: "I feel saddened that Vice President Aleksandr Rutskoy is playing an active role in this" (in the confrontation and in dragging society into the fight), then, adding that I have no intention of "answering abuse with abuse and lies with lies," I would like to state publicly (because for over three months I have not seen the president or had the honor of talking to him): Boris Nikolayevich! I feel just as saddened and offended that the first Russian president has become the hostage of hypocrites and boot-lickers and the obedient champion of other people's

immoral ideas. I feel saddened and offended that I believed you in June and in August 1991. I tried not to wield power, but to use the possibilities provided by power to justify the people's hopes for real reforms in the economy and for a change in living conditions, be a reliable support to the president, and strengthen Russian statehood. And there were a lot of people like me, with the same wishes and aspirations, who were subsequently thrown overboard for disagreeing with the pernicious nature of the political and economic experiments called reforms. Tens of millions of Russians supported and believed in you and the once harmonious presidential team. But you chose other people, giving them all the levers of power, completely trusting those who in August 1991, on hearing every report on the possible storming of the White House, hid in the cellars and nooks and crannies, appealing for deliverance in the U.S. Embassy. You trusted those who are prepared to sell not only the motherland for 30 pieces of silver, but you with it. I do not doubt that you will soon see this for yourself.

Split in Russia's Political Opposition Over Rutskoy

LD2508140893 Moscow ITAR-TASS in English 1345 GMT 25 Aug 93

[By ITAR-TASS political analyst Andrey Sidorin]

[Text] Moscow August 25 TASS—The past Tuesday was not a very lucky day for Russian Vice President Aleksandr Rutskoy who is member of the opposition. Lawyer Andrey Makarov appeared on Tuesday evening on television's first channel and displayed documents compromising the vice president. They put Rutskoy in the position of a party on the defence, that is threatened with criminal investigation.

Makarov got hold of a trust treaty between Rutskoy and a Mr Benjamin Carreth. Under the treaty, the latter manages the "property" transferred to him in favour of the Rutskoy family. The supplement to the treaty indicates that this property is three million dollars out of the 13-million state contract illegally transfered to a private account in a Swiss bank.

If investigation confirms the authenticity of the document supplied by Makarov, Rutskoy will be in trouble.

It is perplexing that Rutskoy, if guilty, was so careless about this document. Makarov said that the materials displayed on Tuesday to tv cameras "were on the surface" for anyone to see.

In any case, Rutskoy's reputation has been seriously tarnished and his positions as one of the leaders of the opposition forces damaged.

The scandal regarding corruption has been spreading in the recent weeks. Some of Rutskoy's allies decided to distance themselves from the vice president who came under fire of serious charges by the presidential side.

The press service of the Russian Democratic Party (n. Travkin's party) stated that the next meeting of the party's secretariat will discuss its withdrawal from the Civic Union centrist opposition bloc in which it participates alongside the People's Party of Free Russia (Rutskoy's party) and "Renewal" union.

The pretext for the Russian Democratic Party's withdrawal from the bloc is a statement of the board of the Smolensk regional organisation of the Democratic Party which qualified Rutskoy's speeches delivered on August 10-11, 1993 in Smolensk as manifestations of "unrestrained populism discrediting the very idea of political centrism".

The same statement poses to the central board of the Democratic Party the question of defining the attitude to Rutskoy's activity and withdrawal of the Russian Democratic Party from the Civic Union.

Rebirth Fund Rejects Allegations Against Rutskoy

LD2508125293 Moscow Radio Rossii Network in Russian 1000 GMT 25 Aug 93

[Text] Much has been said over the past few days about the Rebirth [Vozrozhdeniye] social development fund. The fund is known to have figured in the documents publicized by the Security Council's interdepartmental commission on combating crime and corruption. Evidently, as a result the fund's leaders decided to provide some explanations and organized a news conference in Moscow today. Our correspondent Yevgeniy Zherebenkov attended it.

[Zherebenkov] The leaders of the Rebirth fund attempted to deny the accusations leveled against them of financial violations and involvement in corruption. Deputy [Aleksandr] Korovnikov, the fund's present chairman, admitted that there have indeed been serious violations in the fund's activities, though he noted that all these violations are connected with the period when the fund was headed by Boris Yeltsin. In Korovnikov's view, the attempts to accuse Aleksandr Rutskoy of them have political aims.

[Begin Korovnikov recording] A great deal has been done lately to make sure everyone forgets about the period in the fund's activity when it was headed by Boris Nikolayevich Yeltsin. On the other hand, there is a great deal of hype about it being Rutskoy's fund, about it being a fund in which people's deputies make money. Yes, prior to August 1991, I repeat 1991, Rutskoy was a member of the fund's board, for a mere four months and not even a full four. This was done at the request of Boris Nikolayevich Yeltsin when he officially left after there was pressure at the Congress, at one of the Congresses of People's Deputies, when he officially left the post of chairman of the Rebirth fund. But in August 1991, after his election as vice president, Aleksandr Vladimirovich Rutskoy officially gave up his duties as member of the fund's board.

As for people's deputies who are members of the Supreme Soviet, not to mention members of the Presidium of the Supreme Soviet, I would like once more to confirm officially that over the past two years they have not been part of the fund's board. The statement that there are over 100 chairmen of Supreme Soviet committees and commissions in the fund, in its leading bodies, is just another cunning invention aimed simply at discrediting the Supreme Soviet and people's deputies who are members of the Supreme Soviet and members of the Presidium. [end recording]

[Zherebenkov] The present examination into the fund's activity, in the view of its chairman, Deputy Korovnikov, has been undertaken primarily in order to confiscate documents testifying to the involvement in financial violations by the presidential structures and by Boris Yeltsin, who headed the Rebirth fund during that period.

Federation Council Seen Holding Dangers for Yeltsin

MK2508110093 Moscow NEZAVISIMAYA GAZETA in Russian 25 Aug 93 p 1

[Ivan Rodin commentary in "Opinion" rubric: "The President's Veto of a Revised Budget Can Become Cause for Impeachment. Scene Is Set for Next Congress of People's Deputies"]

[Text] In the recent period by virtually his every move the president has been creating additional difficulties for himself and, what is most important, he has been annoying those around him.

As is known, Mr. Yeltsin's latest idea, almost an idee fixe, is to establish a Federation Council. With its help it is planned to shorten the hands of the Supreme Soviet somewhat and also to use this council as a battering ram to force through either a new constitution or new parliamentary elections and then a constitution, or maybe use it for some other purpose. Therefore the Federation Council should become a kind of tranquilizer for the presidency, but it is quite possible, however, that it could become a laxative.

At present, as is known, active consultations are under way with various interregional unions. Nikolay Ryabov, deputy chairman of the Supreme Soviet, has been traveling up and down the country, thereby imparting a touch of legitimacy to the numerous conferences. The text of an edict is expected, if not this week then next, but so far agreement has yet to be reached on the jurisdiction, structure, and status of the Federation Council. Boris Yeltsin hopes that this status will be fairly high, but Russian Federation components, especially the krays and oblasts, while agreeing with the creation of the Federation Council, are constantly talking about its consultative, advisory character, in fact echoing Ruslan Khasbulatov's words.

Thus Yeltsin will apparently get yet another advisory structure for himself, which will even further weaken himself and not his political opponent, who will have influence within the Federation Council by virtue of the existing "Soviet vertical structure." The president will have to test his plans in the Federation Council, that is to say to publicize them, allow information leaks, and with it lose promptness of action and initiative. If this is unwelcome, then the Federation Council will have to be ignored and will therefore soon fall apart. We shall not talk about which disputes will be proceeding within the Federation Council on the still undecided problem of the equality of different components of the Russian Federation.

Another difficulty created by Yeltsin's own hands are his public statements about the impossibility for the government to carry out the budget approved by the Supreme Soviet, as well as an executive order issued on this account. In the latter, the president has ordered the cabinet, pending final approval of the budget, to take guidance from the old variant, taking into account the amendments by the government which were sent to the Supreme Soviet and there rejected.

At the end of last week the presidential veto on the amended budget came to parliament. A repeat consideration of the law is expected on 27 August. It is hardly likely that the president's demands about cutting the budget deficit by merely slashing expenditures will be fully accepted. But Yeltsin, under the Constitution, will still have to sign the law that does not suit him and that he promised never to sign. What will Mr. Yeltsin do in this situation? To sign means to deny trust publicly in Finance Minister Boris Fedorov, on whose initiative the president resorted to the "budgetary storm." Not to sign means to violate the Constitution.

According to some reports, although the Grand Kremlin Palace where congresses are usually held is separated in two parts, all preparations for them have been made in the parliamentary center. There is information that some part of the deputies with the support of the Supreme Soviet leadership will insist on an emergency congress to initiate impeachment procedures as soon as an edict on creating the Federation Council comes out in some form or another. To initiate these proceedings, however, it takes a conclusion by the Constitutional Court which, in light of the Federation Council's truly advisory character, will be difficult for it to pass. Direct violation of the Constitution when Yeltsin does not sign the budget law is another matter. In this event the Constitutional Court, even pro-presidentially minded, will not shirk its duties. In addition, Mr. Yeltsin is ill advised in ignoring the fact that for each individual deputy, to vote for impeachment "on economic considerations" is still easier than on political grounds. And, to be sure, people's deputies who will have come to the emergency congress from the provinces where no payments are being made for grain and where enterprises are being halted and so forth, will have a corresponding mood.

Federation Council Will Be 'Collective Voice of Russia'

PM2508131793 Moscow IZVESTIYA in Russian 25 Aug 93 First Edition p 2

[Vasiliy Kononenko report: "Federation Council Will Probably Not Be Founded, But Will Found Itself"]

[Text] The third regional conference of representatives of the executive and legislative authorities of krays and oblasts in the East Siberian and Northern economic regions on the formation of the Federation Council was held 23 August and chaired by S. Filatov, head of the president's administration, and M. Mityukov, head of the abolished Supreme Soviet Legislation Committee. Representatives of the Central and Volga-Vyatka Regions and the North Caucasus took part in previous conferences.

Opening the conference, S. Filatov stressed that the situation in the country has necessitated the creation of a consultative-deliberative body in order to ensure that both authorities do not make policy separately in their offices and that all components of the Federation have a chance to formulate policy. The participants in the conference were handed working draft documents—an Agreement, a Statute on the Federation Council, and Council standing orders. It is clear from these that the Federation Council is to study strategic tasks, including those pertaining to social policy, the country's security, changes of borders, the resignation of the president, etc.

S. Filatov also said that he had had a conversation with the president the day before over the question of the mechanism for forming the Federation Council. There is a suggestion that the Federation Council not be founded by presidential edict, but that this be done on a conciliation basis, he said. That is, the Council should found itself by collecting the signatures of all components of the Federation on the documents under discussion at the regional conferences (the precedent being the signing of the Federation Treaty). Each component of the Federation will have one vote at Federation Council sessions. According to the head of the administration, the final version of these documents will be distributed to all regions of Russia on Wednesday 25 August and on Friday [27 August] N. Ryabov intends to raise this matter at the Supreme Soviet.

In a brief interview with your IZVESTIYA correspondent the head of the Russian Federation president's administration explained that the Federation Council will be set up regardless of the Supreme Soviet's decision, since it is of a consultative-deliberative nature and does not contravene the existing Constitution. How will it differ from other such organs? Primarily in the fact that no branch of authority can fail to take this Council's opinion or recommendations into consideration. It will be the collective voice of Russia, he emphasized.

Group of Provincial Heads Favor Federation Council

PM2508135593 Moscow ROSSIYSKIYE VESTI in Russian 24 Aug 93 p 1

[Unattributed report: "Leaders of Local Authorities Are in Favor of Creating Federation Council"]

[Text] The Current Information Center of the Russian Federation President's Administration has distributed a report which says that the conference of leaders of representative and executive powers of the federation components continued its work at the Kremlin yesterday. Leaders of the Volga Economic Region (Penza, Samara, Ulyanovsk, Astrakhan, Volgograd, and Saratov Oblasts), the Ural Economic Region (Kurgan, Orenburg, Perm, Sverdlovsk, and Chelyabinsk Oblasts, and the Komi-Permyak Autonomous Okrug), the North Caucasus Region (Krasnodar and Stavropol Krays, and Rostov Oblast), and the Eastern Siberian and Northern Economic Regions (Krasnoyarsk Kray, Irkutsk and Chita Oblasts, the Aga Buryat and Ust-Orda Autonomous Okrugs, and Arkhangelsk, Vologda, and Murmansk Oblasts) took part in the session.

S.A. Filatov, leader of the Russia Federation President's Administration, conducted the conference on behalf of the Russian Federation president.

The participants in the conference showed great interest in setting up a Federation Council as a consultative body and supported the corresponding decision of the Council of Heads of Republics within the Russian Federation which was adopted 13 August 1993 in Petrozavodsk. At the same time, serious concern was expressed about the poor functioning of the mechanism to execute the federal power's decisions in the provinces and about the uncoordinated nature of a number of ministries' and departments' actions.

The main task of the council being set up is, in the opinion of the conference's participants, to help overcome existing difficulties and to work out a precise system for the functioning and interaction of the power structures both in the center and in the provinces. It was emphasized that there was now a serious need to bring society together and it was necessary for the federal state bodies and the state bodies of the republics within the Russian Federation, the krays, oblasts, autonomous oblast, autonomous okrugs, and cities of federal status to immediately have a coordinated approach worked out for them for resolving the most important questions concerning the Russian Federation's political and socioeconomic development, the state's security, and the implementation of the Federation Treaty.

More on Khasbulatov 20 Aug Conference Speech

PM2508130093 Moscow ROSSIYSKAYA GAZETA in Russian 24 Aug 93 First Edition p 2

[Speech by Supreme Soviet Chairman Ruslan Khasbulatov, delivered at the conference "In Defense of the

Constitutional System, Parliamentarianism, and Democracy in Russia" in Moscow on 20 August 1993]

[Text] Esteemed friends! The All-Russia Conference in Defense of the Constitutional System, Parliamentarianism, and Democracy in Russia is taking place in a troubled atmosphere.

Destructive radical right-wing political forces, which have a decisive influence on the executive power and its head, have stepped up their activity sharply. There are open expressions of disregard for the existing Constitution and of the intention to change the existing power structure and state order and abolish the representative organs of power—the parliament and the soviets at all levels.

Unconstitutional institutions are active. The creation of yet another unconstitutional structure—the Federation Council—is planned. War is declared on all who advocate the strictly constitutional path of implementing political, economic, and legal (including constitutional) reforms.

Things have reached the point where the head of the executive is usurping the right to decide single-handedly what form the Russian state should take, how and according to what rules the citizens should live, and what kind of society should be built. One man, expressing the interests of narrow political circles, wants to decide the fate of all Russia.

I would like to say a few words about the president's 20 August press conference. It was unprecedented in its cynicism, particularly with regard to the Supreme Soviet. The opinions expressed about the Russian parliament demonstrated not only the president's failure to understand the very nature of modern democracy and his adherence to the autocratic way of thinking of the first Bolsheviks, with their favorite tactics of suppressing all forms of dissidence. They are also characterized by the absence of elementary tact with regard to parliament as the highest legislative and representative body. Insulting opinions are expressed about that body, although it was the Supreme Soviet that supported Yeltsin when he was only just beginning to emerge as a state politician. This is the very same parliament that created the institution of the presidency in Russia and made Yeltsin the first president. The same parliament that supported him as long as he expressed the interests of the people and of democratic transformations. The same parliament that even now holds out its hands, seeking accord and constructive cooperation.

Apparently, according to the president, the main result of the two years since the events of August 1991 is that society has recognized that it does not need this parliament. There you have an illustration of how the head of the executive understands our society's pressing problems, how he understands the nature of democracy, and how he considers our people's feelings.

We all remember how the people took heart two years ago. Hopes of a better life seemed realistic. We thought we had finally gotten rid of totalitarian power—the unlimited power of individual rulers: leaders [vozhdi], general secretaries, and so forth. We hoped that true people's power, democracy, and freedom of the individual would gradually become established. We expected increasingly dynamic economic development, the strengthening of incentives to efficient labor, and an increasing level of prosperity for the population, certainly not a deterioration. And, of course, we all sought the implementation of profound economic reforms in the interests of people.

Unfortunately, these hopes were not justified. The slender shoots of democracy are under threat from the very worst form of dictatorship—the self-centered, ignorant, semi-criminal form. A single view of events is being instilled into public opinion more sophisticatedly than ever. Dissidence is suppressed, and the mass media, especially television, are being bought. Political censorship and political surveillance are being introduced.

The country's economy is being rapidly destroyed and production is falling. Speculative and criminal elements have gotten rich quick on an unimaginable scale, having done nothing useful for the country, by means of impoverishing the vast majority of the population. Instead of the promised eradication of stagnation and crisis phenomena, the country has been plunged into the deepest crisis our history has known.

An incompetent policy has put the people's very life in jeopardy, generating numerous conflicts, some of them bloody. The aggressive, confrontational policy of the executive power and its head jeopardizes civil peace and could provoke a social explosion of enormous power, which would be disastrous not only for Russia, but for the whole world.

The August victory, therefore, because of incompetent, arrogant politicians, turned into a tragedy for the country and people.

Now, too, the question of saving democracy and freedom in Russia is at the top of the agenda. This question is now at least as urgent as in 1991, if not more so. And this is to a great extent connected with the fact that the switch from democracy to a new form of dictatorship is being carried out by those who entered the arena of political life and made capital for themselves on the basis of the slogans of democracy and freedom. Life has shown that the slogans of democracy and freedom were used as cover for achieving entirely different objectives. This has become very clear recently.

The main blow, to use the president's language, is now being struck by radical right-wing forces against the representative organs of power—the soviets at all levels, and first and foremost the Supreme Soviet and the Congress of People's Deputies. Basically in every single speech he makes, the president does not shrink from crudely and unprecedentedly cursing the Supreme Soviet

and expressing the desire to get rid of it at all costs. Various scenarios, all kinds of cunning maneuvers, and new institutional formations are thought up in order to get rid of the democratic parliament. And it is not only a question of hitting the representative power as presently constituted, but of totally doing away with a strong representative power, transforming it into an authority that is in the president's "pocket."

A careful analysis of the situation shows that the very same events that led to the breakup of the Soviet Union are being repeated in Russia. And at the center of these events, as before, is parliament. But we are obliged, it is our duty, to avoid repeating the tragic mistakes that were made formerly.

What should we recall from among the bitter lessons of the past, so as to avoid repeating its mistakes? What is most important here?

The most important thing is that the Union parliament became a pawn in the hands of individuals, or rather one individual. It blindly executed his will, losing its own identity as the people's representative, as the organ that protects the state's interests, as the highest supervisory body monitoring the Union president's activity. And we, studying this bitter experience, must not repeat the past mistakes of the Union Supreme Soviet. The Russian Supreme Soviet must democratically, consistently, and firmly uphold the unity of Russia's interests, the interests of its people, and with this principled approach it will not permit anything like what happened with the Soviet Union. There will be no tame parliament in Russia. We are not entitled to permit the existence of any artificial bodies capable of supplanting the Russian Supreme Soviet, as happened at Union level.

The desire to tame the representative power and make it an obedient instrument in the president's hands is directed against the very foundations of democracy, of people's power. Parliament, as the highest organ of representative and legislative power, is the embodiment of the democratism of power.

Parliamentarianism, the nature and status of parliament, the attitude toward it on the part of the other branches of power and statesmen—these are among the most important criteria of democracy.

Parliament, as an institution of power, represents, in democratic states, the interests of all strata of society, and that is why it alone is charged with forming and adopting programs for society's development and determining the state's domestic and foreign policy. A state without a strong parliament cannot be considered democratic. No other organ is invested with the right to define the paths of society's development, adopt laws, and monitor the activity of all the organs of state administration.

All these are elementary truths tried and tested by history.

It should be noted that in its three years of history the Russian Federation Supreme Soviet has undergone great changes on the way to becoming a modern parliament. The deputies' professionalism has increased in the course of the constant work of sessions, committees, and commissions and their joint work with regional representative organs of power, social movements, parties, and trade unions. In the Russian parliament there is real freedom to uphold various viewpoints and there is vigorous activity by factions representing leading parties and movements. In the Russian parliament there is also the desire to exercise monitoring of the activity of state organs and officials.

This has enabled the Supreme Soviet in a comparatively short space of time to make necessary amendments to the Constitution (admittedly not always uncontroversial) and adopt a wide range of laws creating a favorable legal basis for implementing reforms that reflect the interests of the majority of the people.

In the time that has elapsed, a trend toward the transformation of soviets at all levels into organs of true people's power has emerged clearly. The soviets' prerogatives and tasks have widened and their composition has been renewed. They represent more fully the interests of all social strata and the main political forces. In general, in the localities, their collaboration with organs of executive power is structured more effectively, creating good preconditions for overcoming difficulties and renewing life. The soviets incorporate a vast creative potential as true organs of people's power. The question arises of widening their powers as controlling organs of power, including questions of budget autonomy. We already have a whole package of proposals for draft laws from republics, krays, oblasts, and okrugs, which will undoubtedly be adopted by the Supreme Soviet, putting the Federation Treaty into practice.

Attempts to depict the representative organs of power as stagnant, unchanging, incapable of reforming themselves, and failing to meet the new conditions are not in accordance with reality and are aimed at misleading people and fostering hostility toward the soviets. More and more people now see that were it not for parliament and the soviets, there would be no one to defend the interests of the majority, and in particular the interests of the poorly off strata of the population.

So why, despite these obvious facts, are attacks against the representative power being stepped up? The fact is that these representative institutions are the main obstacles to the establishment of a regime of personal power, the undivided sway of the newly emerged nouveaux riches, and the introduction of a savage market system with unrestrained plundering of the people. It is these organs that are the most consistent defenders of the Constitution and law and order in the country.

Through the efforts of the destroyers of our statehood, an attitude toward the existing Constitution has developed that is intolerable for a civilized society.

It is dinned into people that the provisions of the Russian Federation Fundamental Law are obsolete and no longer valid. Basically the president has renounced the Constitution. The law enforcement organs' oversight of observance of constitutional norms has been reduced to nil. As a result a fundamentally dangerous negative attitude toward the Constitution has developed in society. This is the main source of the weakness of power, the destruction of state law and order, and the growth of crime and mass disobedience to the law—these are the hotbeds fostering the destabilization of the state, putting its integrity and the citizens' lives and health at risk, and widening the spheres of human rights violations. The idea of interning the parliamentary leadership, the vice president, and certain other people is being repeated increasingly persistently in the president's entourage.

In a democratic state which aims to build a rule-of-law society, such an attitude to the Fundamental Law and constitutional legality and calls to overthrow the constitutional organs of power and put pressure on their leaders cannot be tolerated.

There is an age-old rule: Until the old Constitution has been repealed, its provisions are to be fulfilled in full. Any criticism of the content of the Constitution in connection with the process of improving it has no legal force and must not lead to the weakening of existing constitutional principles. While the Constitution is in force, any actions against it are unconstitutional and subject to criminal liability, whoever may originate such actions. The General Prosecutor's Office and the Security Ministry should come out more resolutely against subversive acts that threaten the state, wherever they may originate—it is their duty to defend their country's Constitution, not to serve the whims of officials, whatever posts they may hold.

Especially since the present Constitution has been substantially updated and—as both our own and foreign experts confirm—offers scope for political, economic, and legal reforms and ensures the defense of human rights.

We must all take care to ensure that the constitutional process does not undermine the force and authority of the existing Constitution. Here we have made many mistakes already, and their effects are felt throughout the country's life.

The defense of the constitutional system, parliamentarianism, and democracy is not only a matter for state institutions, but for the whole of society and every conscious citizen. A growing number of people, parties, adn movements are now grasping the necessity for this. The present conference so attests.

It is particularly gratifying that a movement in support of parliamentarianism has sprung up and is developing in Russia. Such movements exist in many countries and play a major role in developing democracy and boosting the prestige of the representative power. Parliaments give them every possible support. And that is only natural, because without collaboration with the broad public, the process of developing parliamentarianism as a system of state administration cannot proceed properly. A strong aspect of our own country's movement in support of parliamentarianism is the fact that it actively involves representatives of the creative intelligentsia, associations of scientists and cultural personalities, trade unions, the workers' movement, and the peasantry.

We believe that the movement in support of parliamentarianism will cooperate actively with the Supreme Soviet, its committees and commissions, the Parliamentary Center, and the institute of parliamentarianism.

I wish to say a few words about the institute of parliamentarianism. It is being set up for the first time in our country, and is called upon to formulate the Russian parliament's experience, study problems of the theory, practice, and history of parliamentarianism in Russia and the creative utilization of worldwide experience, develop international links with similar foreign centers, and propagandize the ideas of parliamentarianism in society.

You are witnessing the brith of a new social movement, and I hope it will have a great future.

Announcer Blasts Yeltsin Decree on Former Executive Heads

LD2508201593 Moscow Radio Rossii Network in Russian 1110 GMT 25 Aug 93

[Excerpts] I would like to begin with an official report that many periodicals have published today. I will quote NEZAVISIMAYA GAZETA.

Russian Federation President Yeltsin yesterday signed a decree on additional measures of legal and social protection for executive heads of components of the Russian Federation. According to this document, administrative heads of components of the Russian Federation will continue to receive their wages following their dismissal from office, after another person has been elected to their offices, for up to 12 months, until they find other employment. [passage omitted]

That is as much as many newspapers have reported. ROSSIYSKIYE VESTI, however, publishes this presidential decree in full, and one can instantly see there a provision which other publications have shied away from mentioning.

In the same document, the president also decrees that as of 1 September 1993, executive heads of components of the Federation will receive a 40-percent monthly allowance on top of their basic pay, linked to seniority, and another 50-percent allowance for the complex and special nature of their work. Altogether this makes up 90 percent—almost another full wage—on top of their basic pay.

In general, the wording is very interesting, referring to difficulty and special working conditions. It is strange that they forgot about the milk allowance for unhealthy work conditions! [reference to special privileges for people working in areas of particular geographical or climatic hardship]

The decree can be interpreted as follows: All those leaders of components of the administration who were appointed at some time by the president but did not secure the backing and trust of the people in free elections and were passed over—there are more and more such people, including former President of Mordovia Guslyannikov—all these people will be able to receive the same salary for another year, with the additions, and to hang on to several other privileges until they find themselves another comfortable position, if they did not bother to do something about that earlier. In other words, they need not work for a whole year. They can sit on the backs of the people for a whole year. All this at a time when manual and office staff at many enterprises are being sent on lengthy periods of unpaid leave. In some places they are being kept on, but at minimum wage. The main thing is not to be fired.

Incidentally, at 1700 today the Moscow strike committee and the Workers Solidarity Fund [Fond Rabochey Solidarnosti] are holding a rally of the capital's workers.

Economic Issues

Chubays Stresses Need for Improvement in Living Standards

LD2608104293 Moscow Mayak Radio Network in Russian 0605 GMT 26 Aug 93

[Text] The decline in production last year is not the most serious consequence of reforms, stated Russian Deputy Prime Minister Anatoliy Chubays, addressing the 33rd European Congress of the International Association of Regional Science that opened in Moscow.

The heaviest price that had to be paid for our reforms is the decline in the living standards of our citizens, amounting to between 25 and 30 percent last year alone.

This means, alas, that 30 million Russian citizens are now living below the real poverty line. The development of business and the implementation of the privatization program represent real steps to improve the situation.

More than 72,000 private enterprises exist in Russia at present. Sixty percent of all small enterprises have been privatized. The course of large-scale privatization, according to Chubays, is steady and stable and ought to yield the planned results in 12 to 18 months' time. An improvement in the living standards of the population takes top priority here.

Chernomyrdin Appoints Deputy Directors of Taxation Police

LD2508131293 Moscow ITAR-TASS in English 1308 GMT 25 Aug 93

[Text] Moscow August 25 TASS—Russian Prime Minister Viktor Chernomyrdin signed an instruction appointing Vyacheslav Pankin, Yuriy Chichelov and Valeriy Yampolskiy deputy directors of the Russian Taxation Police Department.

Earlier, Sergey Almazov was appointed acting director of the Taxation Police Department.

Some 1.5 Trillion Old Rubles 'Marooned' in CIS States

PM2608082793 Moscow IZVESTIYA in Russian 25 Aug 93 First Edition p 2

[Ivan Zhagel report: "Approximately 300 Billion Exchanged Rubles Did Not Belong to Russian Citizens"]

[Text] The Central Bank of Russia has yet again summarized the results of the exchange of old bank notes and these results can be considered final, bearing in mind that there are only a few days left before the withdrawal of paper money issued in the period 1961-1992 comes to an end.

Thus, old bank notes worth a total of 602.16 billion rubles [R] were surrendered via commercial banks, R92.26 billion were surrendered via cash centers, and, finally, R701.95 billion passed through branches of the Savings Bank of Russia. It is not hard to work out that a total of R1,396.37 billion was collected.

Taking into account that the Central Bank previously assessed the total sum of old bank notes circulating on Russian territory at R1.1 trillion, it turns out that approximately R300 billion exchanged old bank notes belonged to citizens and enterprises of other CIS countries. This is indicated by the vast sum that passed through the Savings Bank. Obviously, many Russian citizens exchanged other people's money, naturally receiving commission for this.

Nobody knows exactly how many old bank notes from other republics were successfully "marooned." [udalos otsech] True, it was previously conjectured that they had between R1.7 trillion and R2 trillion rubles issued in 1961-1992. If R300 billion of this money has been exchanged, between R1.3 trillion and R1.6 trillion have been "marooned."

Yeltsin Signs Decree on Privatizing Auto Plant

LD2508160193 Moscow Radio Rossii Network in Russian 1300 GMT 25 Aug 93

[Text] The Russian president's press service has announced that Boris Yeltsin has signed a decree on specific procedures for the privatization of the Lenin Komsomol auto plant and of all state enterprises and

organizations which used to be part of the Moskvich production cooperative. According to the decree, these enterprises will be transformed, as a single technological production complex, into an open-style joint stock company called "Moskvich," which will be privatized later. The government is instructed to provide state support for its development program.

Bread Prices Forecast To Rise

PM2608102593 Moscow ROSSIYSKAYA GAZETA in Russian 21 Aug 93 First Edition p 4

[POSTFACTUM column report under the general headline: "Agricultural Angle"]

[Text] The Russian government has raised the level of the price of grain for flour milling enterprises—from the previous 12,000 rubles [R] to R24,000 per tonne, which will lead to a new increase in the price of bread.

Since the price at which grain is bought from the producers was established at a level of R70,000 per tonne in August, the state will provide a subsidy of approximately R45,000 for every tonne of grain for the preparation of bread. Under a decree, as of 1 October the price of grain for the production of flour will be raised to R55,000. The government introduced subsides on grain in the production of bread at the end of 1992. As a consequence, in the first half of this year, the retail price of bread went up by only 60-80 percent.

Causes, Effect of Exchange Rate Stabilization Examined

PM2508122193 Moscow IZVESTIYA in Russian 24 Aug 93 First Edition p 4

[Ivan Zhagel article: "Is Stabilization of the Ruble Exchange Rate Compatible with Rising Prices?"]

[Text] Given the persistent high rate of inflation, the fact that the ruble rate on the Moscow Currency Exchange has remained stable for several weeks now—indecently stable, one might even say, compared with the fluctuation in the rates of stronger world currencies on the Western exchanges—looks highly paradoxical today.

Many people see some kind of dishonest game being played here by the government and the Central Bank, in particular, in artificially maintaining the national currency's exchange rate. As Aleksandr Potemkin, director of the Central Bank's Foreign Transactions Department said, it would be plainly foolish to deny the Bank of Russia's influence on the situation. What form this influence takes and what macroeconomic levers are being used to stabilize the ruble in the domestic currency market is another matter.

Answering these questions, Potemkin noted that it is necessary first and foremost to take account of the fact that our country's foreign trade balance has undergone a fundamental change recently. In the first six months of this year alone Russian exports have exceeded imports by around $9 billion! An impressive figure even for developed countries.

And it is natural that the more currency exporting enterprises earn abroad, the more of it they will sell in the domestic market to obtain rubles for their internal economic activity. Eventually they are forced to do this as, on the one hand, the Finance Ministry has been constantly cutting back on resources issued to state enterprises of late while, on the other hand, the Central Bank has raised the refinancing rate to 170 percent, thereby restricting the amount of money pumped into the economy.

The change in the rules governing foreign currency as of 1 July, whereby the Central Bank has released exporters from the mandatory sale of 30 percent of currency earnings to the Central Bank reserve, has played a part here, and that money has also begun to be sold through the exchanges. In short, the supply of currency in the free market has become much greater, which also determined the process of strengthening the ruble's exchange rate. Dollars, marks, and francs have become, as it were, an additional commodity maintaining demand for the Russian national currency.

It is interesting that, after having abandoned mandatory selling to its currency reserve, the Central Bank has recently accumulated far more dollars than before, since, in order to prevent a sharp rise in the ruble's exchange rate, which is also in general deleterious to the economy, the Central Bank has had to buy up gigantic sums of currency in the market. At any rate, Potemkin noted, the bank had sold a total of around $100 million during the summer months to prevent any drastic leaps in the exchange rate whereas more than $1 billion had been bought.

Even during the uneasy days when the old banknotes were being withdrawn, the situation regarding the supply and demand of currency in the market did not change fundamentally: For example, in the first week of the exchange of money the Central Bank sold a total of $2.9 million on the exchange while in the second week that figure was around $25 million [figures as published]. In current times that scale of intervention can be regarded as insignificant.

It is clear that the Bank of Russia won't simply be able to "sit" on the stockpiled currency reserves. With time it will inevitably have to resort to using this source of support for the national currency. But it is the presence of these large reserves that has allowed the Central Bank and the Finance Ministry to make recent attention-grabbing optimistic forecasts in the mass media about the possibility of stabilizing the ruble by the end of the year. The Finance Ministry's tough policy in curbing state expenditure also inspires confidence in such a development of events. To which needs to be added the $1.5 billion already obtained from the IMF, which has

also in effect gone to cover state expenditure and the budget deficit and has, consequently, supported the ruble.

But for all these impressive facts and the official forecasts, people here still do not believe in the long-term stabilization of the ruble. At any rate, Russian citizens have not yet started rushing off to exchange the reserves of currency they have put aside for a rainy day. On the contrary, dollars continue to be bought.

But, on the other hand, enterprises and banks are entering into currency transactions with far greater caution now. And there is nothing surprising here, since many of them have suffered serious losses during the present "unexpected" state of equilibrium enjoyed by the ruble exchange rate. Incidentally, the constriction in their share in the demand for dollars, marks, and francs also supports the rate of the Russian currency.

It is perfectly obvious that the Central Bank wants to suggest, as it were, to these market structures that they should not chuck their resources into the currency market, should not create a panic demand for dollars, but should seek to employ their rubles through the credit market and other spheres, including industry, the services sphere, and agriculture. However, another thing is also clear: Everyone connected with earning vast amounts of money out of leaps in the exchange rate will not hand over their capital so easily.

It is these people who are now starting rumors that the ruble is about to collapse in the currency market. It is these people who accuse the Central Bank of artificially maintaining the exchange rate with all the ensuing consequences. What consequences? Well, for example, the consequence that curbing the ruble exchange rate will lead to an even bigger leap in a few weeks or that, if the ruble is not devalued immediately, export sectors will be undermined.

However, I regard these fears as premature. This is shown first and foremost by the aforementioned positive foreign trade balance. The enormous excess of exports over imports gives the Central Bank scope for maintaining the exchange rate for some time yet. Incidentally, it will be no bad thing if a number of exporters try in this situation to expand sales inside the country and compete for the Russian consumer and, maybe, drop the prices for their products.

Incidentally, the Russian Finance Ministry recently stated that the stabilization of the ruble exchange rate will exert a marked restraining influence on the rate of inflation before August is out, although it is impossible to rule out the reverse process, to wit, inflationary expectations could sharply step up demand for currency and destabilize the situation on the exchange for some period. But that does not nullify all that has previously been said: The macroeconomic factors are now shaping up in the Russian ruble's favor.

Military & Space Issues

Lack of Funding Threatens 'MiG-29M' Development Program

PM2408105393 Moscow in Russian 17 Aug 93 p 3

[Valentin Rudenko report under "Events and Commentaries" rubric: "Will Russia Have an Ultramodern Light Fighter? This Depends on Designers' Talent. Also on Funding of Promising New Programs"]

[Text] There is no doubting the A.I. Mikoyan Design Bureau's capabilities and creative potential. The airplanes created at this world famous company, or to be more precise the whole family of combat aircraft from the MiG-1 to the MiG-29—which was recognized in its time as the world's best fighter—speak for themselves. The Mikoyan company has many original developments in store. But owing to meager financing and a number of other problems, the implementation of these promising programs may be delayed indefinitely.

What should be done in order to prevent events developing in this way? This was discussed at a meeting between Andrey Kokoshin, Russian Federation first deputy defense minister, and the leadership of the "MiG" Aviation Science and Production Complex.

"We see our present visit to the company and our familiarization with the design bureau collective and its new developments from the viewpoint of shaping a long-term arms program, work on which is approaching completion in the Russian Ministry of Defense," Andrey Kokoshin noted in conversation with journalists. "Today it is very important to clearly define our position with regard to future lines of development. Especially with regard to research and development. You see, what we are talking about is the future of the Russian Armed Forces. What lies ahead is a great deal of hard work to search for ways to finance promising new developments and to resolve other problems."

The company too is not sitting idly by and is looking for a way out of the difficult economic situation.

"The financial question is for us definitely the most problematic today," Academician Rostislav Belyakov, general designer at the "MiG" Aviation Science and Production Complex, says. "But you cannot put everything down to our financial difficulties. It is our duty to do everything we can and more to ensure that Russia has a competitive light fighter in the future too."

Specific actions lie behind these words of the general designer. Just such a fighter has actually already been created at the company. This is the MiG-29M. With the requisite funding, series production could be started in the near future at the Moscow Aviation Production Association. The preliminary preparations for this have already been carried out at the Moscow Aviation Production Association.

Specialists consider that, from the viewpoint of its flight performance and combat characteristics, the MiG-29M has no equal either here or abroad now or in the foreseeable future. Compared to its MIG-29 predecessor, the new multirole fighter has more than twice the destructive potential and three-and-a-half times the strike potential against targets on land and at sea.

The 1,000 plus test flights which have been carried out to date have demonstrated convincingly that the technical risk involved in successfully completing the MiG-29 program has to all intents and purposes been reduced to zero. The only problem is how to obtain the wherewithal to launch series production.

However, looking to the future, the fighter could earn this funding itself. An analysis of the world aviation market shows that it is actually light fighters which are most in demand. The sale abroad of even small consignments of MiG-29M's would cover many times over all outlays on completing experimental design work on and series production of the aircraft.

If the worst comes to the worst and we are unable to come up with the money, Russia will not only lose out on the work it has done and the lead it has gained in developing light fighters and the corresponding external market, but it will also be left altogether without aircraft of that class.

Air Defense Missile Demonstration Observed

PM2508075993 Moscow ROSSIYSKAYA GAZETA in Russian 20 Aug 93 First Edition p 2

[Report by Aleksandr Mozgovoy from air defense forces' Kapustin Yar test site: "Shooting at a Flying Target as the Sky is Filled with 'Diamonds'"]

[Text] From afar it seemed as if someone had gotten it into his head to build a giagantic musical instrument—an organ— in the middle of the expanses of the steppe. Its massive pipes, not yet joined together to form a single entity, stood here and there at intervals. Suddenly the pipes started to play, or, rather, there was a thunderous roar. Missiles leapt from their mouths and soared into the sky. The S-300 PMU-1 antiaircraft system was in operation...

On the threshold of the Moscow Aerospace Show, planned for 31 August-5 September, the Air Defense Forces command decided to hold demonstration launches of the latest Russian antiaircraft complex at the Kapustin Yar test site. It is capable of forming a kind of shield against aerial attacks on cities and major industrial facilities.

We were being "attacked" by a cruise missile, which in size and speed was similar to a U.S. Tomahawk. The surface-to-air missile launched by the team commanded by Lieutenant Colonel Viktor Skaldin headed out to intercept the low-flying target on an irregular trajectory: First it went into a steep climb, then it dived toward the target. A few seconds later the horizon was lit up by an explosion, like a sprinkling of diamonds. The target had been destroyed.

"I have been at the site for 20 years, but I have never encountered anything like it," Colonel Vyacheslav Korolev, the test site's deputy chief in charge of scientific and testing work, said after the firing exercise. "For some reason the target deviated from the set course and started to perform unplanned maneuvers. But the team did not lose it and the target was destroyed."

The team commanded by Lieutenant Colonel Sergey Murashov, demonstrated high-class firing by destroying a small target 10 meters from the ground with a single volley.

We were shown the S-300 PMU-1 operating against small, low-flying targets because they are regarded as the most difficult to detect and destroy. And this air-defense system, created by the "Almaz" ["Diamond"—FBIS] science and production association, is capable of shooting down any flying object, cruise, operational-tactical, and tactical missiles within a radius of 150 kilometers over a very wide range of altitudes.

"The system is just as good as and in a number of ways better than the U.S. Patriot complex, which became famous during the recent war in the Persian Gulf," Aleksandr Lemanskiy, chief designer at the "Almaz" science and production association, said. "For instance, the S-300 PMU-1 has a much greater range than Patriot. It takes considerably less time to prepare it for launch after it has been on the move (five as against 30 minutes).

Kapustin Yar is the nursery of Russian antiaircraft technology. It was here on 25 July 1951 that the first Soviet S-25 "Berkut" air-defense system was tested. It was here that the celebrated "rivers" of the S-75 family: "Dvina," "Desna," and "Volkhov," learned to protect the skies. It was an S-75 missile that shot down the U.S. U-2 reconnaissance aircraft near Sverdlovsk on 1 May 1960. But Air Defense Forces veterans say that our air defense successes did not begin with Powers' aircraft, but with the Taiwanese high-altitude RB-57 spy destroyed by a "Dvina" on 7 October 1959 in the sky near Beijing.

Russian air defense complexes have been exported to dozens of countries of the world. But of late the volume of supplies has diminished considerably for well-known reasons, although the sale of armaments would make it possible in wholesale conversion conditions to ease the problems connected with the financing of military-industrial complex enterprises and provide the state with a considerable income. (Indeed, Western countries are trying to squeeze the Russian defense industry out of world markets, and our bureaucratic machine often prevents profitable deals from being concluded.

"The drawing up of a contract with a foreign customer has been delayed for nearly a year," Vladimir Svetlov, general designer of the "Fakel" machine-building design

bureau, which designs missiles for air-defense systems, complained. "Recently we received a very interesting proposition from a Western country. We are prepared to implement it. But I fear the order will go elsewhere while we go through the process of agreeing it with various offices."

But the defense industry is not losing its optimism.

"Despite powerful pressure from the United States, we must and we will compete with U.S. and other Western companies in arms markets," Yakov Bezel, chief designer at the "Proton" science and production association, where they make automatic guidance systems for antiaircraft complexes, stressed.

At the firing demonstration we were shown a well-oiled, modern system, but not the very latest, of course. Tomorrow's air-defense complexes are just learning to protect the skies at the Kapustin Yar test site. But the time will come when they are also on combat duty.

Demonstration of Patriot Missile Equivalent

LD2508223293 Moscow Ostankino Television First Channel Network in Russian 2010 GMT 25 Aug 93

[Video report from Nizhniy Novgorod by correspondent Igor Krondo, including recording of remarks by A. Lemanskiy, chief designer of the Almaz research and Production Association—from the "Novosti" newscast]

[Text] On the eve of the Nizhniy Novgorod fair, where defense industry enterprises will display their latest achievements in hardware and armaments, the command of the air defense troops, together with the management of the Almaz, Proton and Fakel research and production associations, has organized a demonstration of combat capabilities of the latest anti-aircraft and missile complex, S300 PMO1 [as heard]. At the testing ground in Kapustin Yar three missiles were fired at training and combat targets. The system is similar to the U.S. Patriot complex which became famous after the Desert Storm operation.

[Lemanskiy] I believe that we are superior to the Patriot system as far as the impact zone is concerned and, second, the speed of readying the system for firing on the move. And I would also like to mention the use of vertical launch missiles in the S300 PMO1 system.

Chief Designer on Helicopter Developments

OW2608112193 Moscow Central Television First Program and Orbita Networks in Russian 1845 GMT 3 Aug 93

[Studio interview with Mark Vladimirovich Vaynberg, chief designer at the Moscow Helicopter Plant Production Association, and Vsevolod Vsevolodovich Kulikov, director of the New Economic Structures and Privatization Institute, by Sergey Lomakin; from the "Utro" program—live]

[Text] [Lomakin] Now these are the helicopters that we are going to talk about today. [reference to referent items] In the first place, because it is our own production, and second because they are a very good product. I would like to introduce you to our guests, Mark Vladimirovich Vaynberg, the creator of the Mi series helicopter and chief designer at the Moscow Helicopter Plant Production Association, and Vsevolod Vsevolodovich Kulikov, director of the New Economic Structures and Privatization Institute. A little later about why I invited you two here today, but right now I would like to put the first question to you, Mark Vladimirovich; two or three days ago you held a big news conference announcing your new program based on the domestically built, light helicopter, which raised quite serious interest in the press, in the community, and as far as I know, in state bodies. So, the news conference was held and you announced the beginning of your program, now what? What steps should be taken so that this really becomes a gigantic program?

[Vaynberg] Well, first, in economic terms, this program is very profitable; however, Vsevolod Vselovodovich will probably say something about that, so I will only mention it. It will very quickly pay for itself. We need a relatively small loan so that we can develop all this work. First, it is centered around the Mi-34 helicopter. The first production model of this helicopter will appear in September, next month, at the Arsenyev Serial Production Plant, which is near Vladivostok, and next year we plan to produce about 80 of them at this plant. After that, approximately 200 will be produced annually over the next few years. The price of this helicopter is incomparably lower than the price of the American machines of approximately the same class. Their machines are in the $1-1.5 million range, while ours are $350,000-450,000. Because these have piston engines, we have applied relatively cheaper options. Today, we have buyers for 150 such machines who are ready to outlay the money. Thus, this program will pay for itself in the course of two years—this is quite realistic. This will be the first machine that will bring Russia and us money and we will be able to develop.

Following this, we are gearing up to prepare and begin serial production of yet another small helicopter.

[Lomakin] This one? [indicating a model on a table]

[Vaynberg] Yes, this one, with a Wankel-type rotary piston engine developed at the Tolyatti motor car plant. We are adapting it for aviation purposes in the near future and we hope that by the end of next year this machine, which we are calling the Mi-52, will fly. So, we will have a machine of approximately the same class, but with a few different potentialities. They may be greater or lesser, but they will be different potentialities.

And the third machine within the orbit of this program is the Mi-34 VAS, as we call it. This one is fitted with two Wankel-type rotary piston engines and weighs two tons.

No such twin-engine machine in such a small weight class exists today, so you can well understand what a future it has!

[Lomakin] As far as I can understand in all seriousness, we are speaking about one of the largest military industrial complex conversion programs so far in Russia, aimed at the production of these light helicopters. Any conversion program demands investment, is that not right?

[Vaynberg] Yes, yes.

[Lomakin] And as far as I understand, the Supreme Soviet has even allocated money especially for this program. Are you receiving this money or not?

[Vaynberg] No, we are not receiving it, because it has not been allocated yet. There is a Supreme Economic Council decree on the advisability of financing this program. All this is currently being examined and we hope for a favorable resolution of this issue; however, so far, no, we are finding our own means.

[Lomakin] Whenever investment issues arise, everyone seems to turn to the West, saying let us take money from there! In this regard, I know that you have your own particular position on this. Would you enunciate it for us, please?

[Vaynberg] I would say that my position has two aspects. The first is that we will unfailingly cooperate with the West and in fact, we have already started. However, we have only started to cooperate with those companies which genuinely want to cooperate and not simply use us. This is the main aspect. I will again re- emphasize what I have always said: A partner must be very satisfied with his partnership. If there is not that satisfaction, then nothing will result.

They are slowly beginning to understand that in the West. So, that is the first aspect—an equal partnership. We talk about it a lot; however, that is what we have to achieve. The second aspect is this: Our aviation industry was created over a period of many years and what we have today is this incredible accumulated wealth. There is no institute in the world equal to the TsAGI [Zhukovskiy Central Aerohydrodynamic Institute] for qualifications and standards. There is no institute in the world like TsIAM [Baranov Central Aircraft Engine Building Scientific Research Institute] for qualifications. And our companies involved in navigational and electronic systems, and other such extremely complicated matters, have the most unique and most highly qualified collectives. We do have problems with weight and overall dimensions, however, this does not depend on them, but on the ore, on the element base [sentence as heard]. However, if we, the general developers of the helicopter all scamper to the West and abandon our associate enterprises, then we will consider that we will have collapsed everything. We must avoid this at all costs.

[Lomakin] Even this, [pointing at the model helicopters], the best that we have?

[Vaynberg] Yes.

[Lomakin] This program is very extensive—Vsevolod Vsevolodovich, I would ask you to join in our discussion—and unites a dozen or so major enterprises of the military industrial complex; provides thousands of jobs to workers, builders, and engineers—a costly program. Are there any new methods being adopted so that this program proceeds with the least amount of pain?

[Kulikov] In dollars, Russia only needs about $1 million, and to recover this million it would be sufficient for them to sell five machines to the West. Sell five machines and that would recover the $1-million loan. In rubles, we would need somewhere in the order of 10 billion. This is where we need to display some elementary state wisdom and find these few kopeks to finalize the project and begin serial production of this machine.

[Lomakin] What would these, and helicopters similar to these, be used for?

[Vaynberg] Well, let us list some of the ways: First, initial flight training, training of flight personnel, an ideal example! Twenty five liters of kerosene [pauses] benzine, I emphasize benzine, per 100 km—a drum of benzine per 100 km! Second, patrols. Third, medical needs; if a person needs to be transported, this machine can accommodate a stretcher. Fourth, communications—mail. Fifth, observation—elementary things like the condition of pipelines and...

[Lomakin interrupting] At a minimum speed of 320 km per hour [kph], is that right?

[Vaynberg] No, its normal speed is 170 kph, 160-170 kph. An excellent speed, quite adequate for normal work. Maybe we will have to reduce it a little for detailed inspections and that is quite possible, quite possible. The maximum speed of this machine is 370 kph. So, observation...[pauses] further, it will be bought, whether from us or not, for sports purposes...

[Lomakin interrupting] I will add tourism!

[Vaynberg] The machine can perform Nesterov's loops [reference to Petr Nesterov, the first aviator to perform this aerobatic maneuver in 1913], and barrel [rolls]—in other words, all fixed wing aircraft maneuvers. Further, tourism, you are quite correct. Now for a simple example to demonstrate: Let us say you need to move from point to point...

[Lomakin interrupting] Yes, in current traffic conditions especially...

[Vaynberg] Yes, try and get from point A to point B, it is useless [to try]. I got here at a crawl.

[Lomakin] Thank you, dear guests. We do not have much time left for talk; however, I promise the viewers

to come back to this subject because I consider this project extremely interesting, extremely fitting, and most importantly, visible. Perhaps finally we will be able to cite this as an example that something is moving in the sphere of conversion. So, we will return to this subject in exactly a month, inasmuch as Mark Vladimirovich said that the first helicopter of this series will be launched in September. I hope that we will get this material from Vladivostok. I hope to meet with you again and we will keep a constant watch on the progress of this project.

Resurs-F Satellite Launched 24 Aug

LD2508093493 Moscow ITAR-TASS in English 0924 GMT 25 Aug 93

[Text] Moscow August 25 TASS—A Resurs-F satellite was launched with a Soyuz booster rocket from the Plesetsk cosmodrome on August 24.

The satellite carries equipment for multizonal and spectrozonal photography to continue investigations of the Earth's natural resources for various economic sectors and to resolve ecological tasks as well as for international cooperation.

The satellite was put into orbit with the following parameters:

initial period of revolution—88.7 minutes,

apogee—267 kilometers,

perigee—188 kilometers,

orbital inclination—82.6 degrees.

The equipment installed aboard the satellite functions normally.

Regional Affairs

Government To Promote Far East's Economic Development

PM2508114593 Moscow ROSSIYSKIYE VESTI in Russian 24 Aug 93 p 1

[Vladimir Khrustov report: "Progress From Far East"]

[Text] "The Far East has been and remains Russia's gateway to the world economy." We may consider this pronouncement by Prime Minister Viktor Chernomyrdin as being of key significance. Not only because it was made on the last day of his working visit to the Far Eastern region. But because these words from the Council of Ministers leader reflect fully the government's radically altered attitude toward the state's most distant provinces. Whereas over the decades the Maritime Kray had been perceived primarily as the country's main defensive border (and capital was invested in it accordingly), its "professional" orientation is changing considerably today.

The advantageous geopolitical situation of these territories with their three major seaports (including Vladivostok, which, in Oleg Soskovets' words, will become the country's main export port), the rich marine reserves (Russia obtains a large part of its fish and sea produce here), the truly wonderful reserves beneath the seabed and on the ocean shelf—all this puts the Far East among the regions whose urgent development is very important to Russia.

Changing the emphasis, including in the region's industrial infrastructure, is largely linked to conversion. Meeting with workers from the military-industrial complex, Viktor Chernomyrdin stated that the government will help the defense complex in order to preserve existing enterprises' collectives with their great technical and intellectual potential. He specifically assured the Khabarovsk shipbuilders, who have started producing trawlers within the framework of conversion, that their plant will receive permission to export this output.

The Far Eastern region can by rights count on wide support from the state. It has been decided to assist five mining and enriching combines in the Maritime Region which process gold, platinum, zinc, tin, and yellow sapphires. Opportunities for exporting metal concentrate for the subsequent import of metal processed abroad will be examined. Taiwan, Japan, Australia, and the United States have already expressed an interest in cooperating in this area.

The task has been set of supplying Maritime Kray with local coal, in quantities which, moreover, will completely satisfy the kray's needs by 1995. The Ministry of Finance will set aside capital for seven energy facilities which are under construction in Maritime Kray, so that they are commissioned as early as this year.

The question has been discussed of granting the border regions a number of tax concessions including reduction of duty and rights over disposing of foreign currency earnings themselves. The government will prepare a decision on this question within a month.

It is expected that in the near future government decrees will be prepared and submitted for discussion to the Council of Ministers on the development of the four Far Eastern regions—Kamchatka, Sakhalin, Maritime Kray, and Khabarovsk Kray.

Sakhalin Oil Production Jeopardized

OW2608113293 Yuzhno-Sakhalinsk Teleradiokompaniya Sakhalin Television Network in Russian 1905 GMT 5 Aug 93

[Aleksey Bayandin video report; from the "As of This Hour" program]

[Text] [Bayandin] The appearance of the city of Okha in the very northern part of Sakhalin had to do with exploration and production of petroleum and gas. There was so much of it here that it allowed the beginning of

the rapid development of all of the Far East, which gets the Okha petroleum through the Okha-Komsomolsk-na-Amure pipeline. It seemed that Okha should have promptly become a kind of replica of the Arab Emirates. After all, this is where the petroleum kings lived. However, everything is quite different. Until now, petroleum industry workers were paid 30,000-50,000 rubles for their hard labor—they have to work under the harshest of conditions. Also, they recently managed to get some consumer goods from Japan in exchange for petroleum sold there—Moscow has graciously allowed them to use some of the petroleum for their own needs. However, the very same Moscow bureaucrats have procrastinated the issuing of licenses for conducting geological prospecting works for so long that the Okha self-elevating and floating drilling rig will have time to drill only one well now. What is more, funds for shipping the necessary repair equipment have not been allocated in spite of the fact that the navigation season is limited in the north, and the whole process of petroleum production could be threatened. Many lose hope that life would get any better and leave for the mainland. Not everyone likes being an impoverished petroleum king.

Dudayev Sees Moscow Behind Assassination Attempt

MK2508120093 Moscow MOSKOVSKIYE NOVOSTI in Russian No 35, 29 Aug 93 (signed to press 29 Aug 93) p A12

[Interview with Chechen President Dzhokhar Dudayev by Dmitriy Ukhlin in "Eurasia" column under "Chechnya" rubric: "Dzhokhar Dudayev: 'Opposition Leaders Are Condemned to Death';" place, date not given]

[Text] The citadel of the presidential palace in the Chechen republic in the center of Groznyy today is guarded more carefully than ever—since the latest literally "loud" (with two shots from a grenade launcher) attempt on Dzhokhar Dudayev's life on the night of 8 August. The wounded guards have already returned to service and are now at the center of attention. In the corridor on the ninth floor the window panes with bullet holes have not been replaced yet although the president's office is, of course, in perfect order. The wall is still adorned by a 1.5-meter full-length portrait of Shamil.

[Ukhlin] Mr. President, what is your version of that attempt? Is it true that it was organized by former Groznyy mayor Beslan Gantamirov?

[Dudayev] Even if it was Gantamirov, he was merely an operative. According to our information, the physical elimination plan is directed by Russian General Aleynikov. All acts of subversion are prepared in the offices of Moscow's special services. They are financed by our debt to Russia plus another 30 billion rubles from the budget. Weapons and drugs are being brought here in unlimited amounts. Criminals are being released from Russian prisons to be sent to Chechnya—we are catching them by the dozen. You have given shelter in Moscow to many political vagabonds from across the entire former Union, but they will soon make it hot for you. As for the "gifts" from the Russian special services, we send them all the way back where they came from—to you.

[Ukhlin] The tragic outcome of your relations with the opposition—is this a result of the conflict over the "financing of the Chechen revolution" by Mamodayev, Khadzhiyev, and others?

[Dudayev] These people are incapable of financing anything—they are penny pinchers. They know only how to steal. I was armed with an idea and the law and I had no call for any money. But Khadzhiyev has taken to Russia all the hundreds of billions he has robbed. An investigation is now under way. I cannot put up with corruption; for 50 years I have never made any compromise with my conscience.

[Ukhlin] What, in your opinion, is the relationship between the events in Nadterechnyy Rayon and Zavgayev's appeal to the Russian parliament?

[Dudayev] Nadterechnyy Rayon has nothing to do with the opposition. Zavgayev is unsuccessfully trying to create the image of an "insurrection" using bandits from Teatralnaya Square. And although I can catch them all, I have given orders not to touch anybody. Ruling authority does not need extra blood when a bullet will find them anyway, strike them in their very heart. The Almighty is witness to this—all those who have shed even a drop of Chechen blood have never gone unpunished. All the opposition leaders are people condemned to death.

[Ukhlin] Could you please comment on Sunzhenskiy and Malgobekskiy Rayons, which are a point of contention between Chechnya and Ingushetia?

[Dudayev] There is no conflict there but Russia wants them very much. On Chechnya's indigenous territory—Sunzhenskiy Rayon—Russian helicopters are quietly landing, unloading military equipment, and intimidating the population by saber rattling. Without sanction from our government the construction of a military airfield has begun there. All right, go ahead and build it if you in Russia do not know what to do with your money. As for the Chechen and the Ingush, they are a single people—they are separated only by Russian nicknames. And we also have a single country—the ancient Ichkeriya.

[Ukhlin] What associations do the names of Zviad Gamsakhurdia and Abulfaz Elchibey evoke in you?

[Dudayev] Gamsakhurdia is a legally elected president under whose rule Georgia was recognized by 29 states. The will of the people must be revered in all states. Those who do not respect it will have the same trouble in their homes. By encouraging banditry in other countries, they will end up being overthrown themselves. I do not know how everything was in Azerbaijan, but the fact that even a legitimate president was removed from power points to serious conclusions. And still Dudayev, Elchibey, and

Gamsakhurdia are transient. The main thing is the normalization of relations between peoples. Georgia, Armenia, Azerbaijan, Abkhazia, Ingushetia, Ossetia—what sort of wars are these? This is genocide. Those who are pulling a bloody blanket over the Caucasus will themselves be covered with it.

General Ochirov Arrives in North Ossetia

MK2608104093 Moscow KOMMERSANT-DAILY in Russian 26 Aug 93 p 4

[Aleksandr Balashov report in "Situation in North Ossetia" column: "General Ochirov Arrives in the State of Emergency Zone"]

[Text] Major General Valeriy Ochirov, new deputy head of the provisional administration, a former presidential candidate in Kalmykia who earlier fought in the Afghan war, has arrived in the area in North Ossetia and Ingushetia where a state of emergency was imposed. In his meeting with North Ossetian parliament speaker Akhsarbek Galazov the general, according to an ITAR-TASS report, considered the current sociopolitical and field situation in the region, as well as ways out of the complicated situation.

Talking with journalists, Valeriy Ochirov stated that he is ready to devote his entire life, political experience, and his military knowledge to establishing peace in the region. The general said that it is impossible to resolve the interethnic problem by force of arms and that negotiations and reciprocal moves by the sides are necessary.

Meanwhile, participants in a meeting of women of North Ossetia and Ingushetia, which took place on 24 August in the city of Terek (Kabardino-Balkaria), circulated a statement to all residents of Ingushetia and North Ossetia. It contains an appeal to use all efforts to assist and support the power bodies in Ingushetia and North Ossetia in their full and undeviating implementation of the agreement "On Measures for a Comprehensive Settlement of the Problem of Refugees on the Territories of the Ingush Republic and the North Ossetian SSR" which was signed on 29 March in Kislovodsk, and to speed up its execution.

Yesterday the all-Ossetian people's council Styr Mykhas sent an appeal to the soldiers and officers of the Russian armed forces located in the state of emergency zone. The council notes that a "great mission to protect the fragile peace" in a multiethnic region has been entrusted to Russian army servicemen and appeals to them not to yield to provocations.

The current situation in the zone covered by the emergency regime, according to General Ochirov, is fairly complicated but the Russian peacekeeping forces are controlling it. The general is especially worried by attacks on the part of armed bandit groups and the presence of large amounts of weapons among the local residents. According to military sources, last night near the village of Tarskoye in Prigorodnyy Rayon unidentified gunmen fired from a forest at the troops' armored equipment. The military returned fire. Single shots were also registered near the settlement of Karts.

Meanwhile North Ossetian Supreme Soviet Chairman Akhsarbek Galazov and head of government Sergey Khetagurov sent a telegram to Boris Yeltsin, Ruslan Khasbulatov, and Viktor Chernomyrdin, suggesting that the signing of a treaty between Russia and Georgia be made conditional on a full settlement of relations with South Ossetia and the determination of its political status.

Buryatia To Keep Controlling Interest in Gold Industry

PM2608094193 Moscow ROSSIYSKAYA GAZETA in Russian 25 Aug 93 First Edition p 2

[V. Gypylov report: "Ulan-Ude: Prospectors Floated"]

[Text] The government of the sovereign republic has finally given the "green light" to the flotation of Buryatia's gold-extraction enterprises and prospecting artels.

During a recent conference at the Council of Ministers, where the opinions of representatives of Buryatia's State Committee for the Management of State Property, the "Buryatzoloto" State Enterprise, and prospectors were heard, Premier Vladimir Saganov stated his intention to retain state control over this, the youngest and most dynamic sector of the economy. The premier's plan includes setting up a special body to manage the state share of the privatized property of enterprises and artels.

Every year Buryatia increases the amount of the hard-currency metal it extracts. Whereas in past years around 700kg of placer gold and gold ore were extracted, this year the plan is to sell the state around 1.5 tonnes of the precious metal. And that gives the government of the former autonomous entity real food for thought.

Luzhkov Tightens Alcohol Controls in Moscow

LD2608090093 Moscow Ostankino Television First Channel Network in Russian 0800 GMT 26 Aug 93

[From the "Novosti" newscast]

[Text] On the instructions of [Moscow Mayor] Yuriy Luzhkov, significant additions have been made to the rules of retail trading in alcoholic beverages in Moscow. Henceforth, the peddling of alcohol is prohibited, as is its sale outside premises equipped for the storage and sale of alcohol.

International Affairs

Kiev Seen as Seeking Leverage in 'Nuclear Poker Game'

PM2408093793 Moscow ROSSIYSKAYA GAZETA in Russian 21 Aug 93 First Edition p 7

["Commentary" by Vladimir Tyurkin: "Game of Nuclear Poker. Official Kiev's Reluctance To Part With Strategic Arms Starts Arousing Serious Misgivings"]

[Text] It is not so much Moscow, which has since ancient times valued its neighbor's economic strength, as Washington, Bonn, and Brussels who must from their civilized distance see Kiev as a 176-headed (in terms of the number of missiles) nuclear monster hatching perfidious plans for global aggression. Last week the West's top military-political officials once again, for the umpteenth time, tried to sound out Ukraine. U.S. Admiral Miller, commander in chief of NATO Allied Forces, Atlantic, and FRG Defense Minister Volker Ruehe went extremely thoroughly into the details of the organization of the military machine in the once little-known union republic, now the world's third nuclear power after the United States and Russia. They had trouble hiding their serious concern at this.

The North Atlantic bloc's "shining hour"—the breakup of the Soviet giant—proved unexpectedly short-lived since it gave way to a fresh headache. The question of Ukraine's nuclear disarmament has grown into a world problem. Kiev's conduct does not fit in well with the mainstream of traditional, Western, rationalist thinking.

In actual fact, Ukraine at first declared itself a nuclear-free state, then it dragged its feet with ratifying the START I Treaty, refused to accede to the Nuclear Nonproliferation Treaty, and declared all the nuclear arms on its territory to be its property. And in conclusion it stated that the 46 SS-24 missiles with 10 warheads apiece did not come under the START I Treaty at all.

Ukrainian Defense Minister Kostyantyn Morozov, who at a press conference in Admiral Miller's presence spoke of his department's burning desire to "use the experience of progressive NATO countries in shaping the Ukrainian Armed Forces," was hardly a considerable reassurance to NATO members. Nothing bad may have been meant, but it was he who decided on the eve of the admiral's visit to include the troops responsible for the storage and commissioning of nuclear munitions within the 43d Missile Army under national jurisdiction. Of course, that still does not mean that Kiev is capable of launching missiles—Moscow still controls the launch codes from the well-known black attache case.

Last, on the same day the Ukrainian Defense Ministry's press service issued another "reassuring" statement, saying that Ukraine is able to prevent the use of strategic nuclear forces stationed on its territory but does not want to take possession of these missiles' launch codes. Is that clumsy bravado or a latent threat (since Ukraine's research institutes could in theory crack the codes)? At any rate there are signs of a desire to demonstrate its nuclear importance.

Here is the latest in this string of events. Russia's foreign minister recently announced to the whole world that the Russian-Ukrainian treaty on the destruction of the nuclear weapons on Ukrainian territory is virtually ready for signing, yet the following bewildering statement immediately followed from Kiev: "We cannot see that happening!" How are we to take that?

In the opinion of many observers, Kiev has no particularly perfidious intentions—as far as practical use of the arsenals is concerned. This is poorly disguised blackmail with a view to milking greater subsidies from the West for dismantling the arms and making Moscow more tractable in contentious financial and political issues. Though, at the moment, as far as I know, neither one thing nor the other is happening.

But, as we can see, a stubborn player has joined the nuclear poker game. And it is surreptitiously raising the stakes. What if, God help us, it goes for broke!

Morozov Urges Review of Soviet Military Criminal Cases

WS2508143193 Kiev Ukrayinske Radio First Program Network in Ukrainian 1000 GMT 25 Aug 93

[Text] Colonel General Kostyantyn Morozov, Ukrainian defense minister, has turned to Army General Pavel Grachev, Russian defense minister, with a proposal to urge the Ukrainian and Russian Supreme Courts to reexamine criminal cases of former servicemen who come from Ukraine and Russia. This was reported by the press service of the Ukrainian Defense Ministry. They were convicted under the laws of the already nonexistent state—the USSR. It was fated, the appeal went on to say, that Ukrainian and Russian citizens would serve in the military outside their historic homeland. It should not be ruled out that some of the state crimes that they had committed were socially dangerous only for the Soviet Union at that particular time, and from the modern point of view, cannot reflect on the state and defensive interests of our countries. In addition, those convictions may have resulted not only from investigative and judiciary mistakes, but could have been fabricated due to political reasons. This causes the suffering of specific people, our fellow countrymen, who serve their terms in incarceration facilities. A civilized state should extend legal assistance to its citizens and protect them.

Shevardnadze Congratulates Kravchuk on Independence Day

LD2508200693 Kiev UKRINFORM in Ukrainian 1545 GMT 25 Aug 93

[Text] [no dateline as received] President Leonid Kravchuk has received congratulations on the occasion of the second anniversary of Ukraine's Independence Day.

Highly esteemed Leonid Makarovych:

Sovereign Ukraine celebrates Independence Day, 24 August, as a festival of fufilled hopes. All peoples who have chosen the way of democracy and freedom celebrate this proud date along with the Ukrainians.

Georgia has the right to consider itself one of the first associates and allies of Ukraine, a fact which has been consolidated by our treaty on friendship, cooperation, and mutual assistance and which has already been confirmed by Ukrainians at a difficult moment for Georgia.

The principles that are laid down in our treaty and which are based on trust, equal terms, and mutual respect open up unlimited possibilities. Already the first steps made in this direction give hope. Intensive consultations are going on in the sphere of scientific exchange, which were facilitated by the visit to Georgia of the most well-known Ukrainian scientists. Agreements in the sphere of the economy are being realistically embodied. We are certain that both sides will apply all efforts to duly speed up the implementation of the outlined plans for wide-scale cooperation.

The reaction of the world community convinces us that the development of Ukrainian-Georgian relations is a subject not only of bilateral but also multilateral interest. The implementation of initiatives in the sphere of mutually advantageous cooperation between countries of the Black Sea basin has become a reality and will undoubtedly be facilitated by the high political authority of Ukraine on the European continent.

Making use of this opportunity, I also want to express the hope that the memorable communication with you personally will be continued and that I will soon be able to shake your hand, Esteemed Leonid Makarovych, here in Tbilisi, where you are known, respected, and awaited.

Please also pass on my congratulations and best wishes to all citizens of fraternal Ukraine in connection with this glorious date in the history of the Ukrainian people.

[signed] Eduard Shevardnadze, chairman of the parliament of Georgia, head of state.

Romanian Envoy Presents Credentials to Kravchuk

AU2508182293 Bucharest ROMPRES in English 1518 GMT 25 Aug 93

[Text] Bucharest ROMPRES, 25/8/1993—Romanian Foreign Ministry spokesman Mircea Geoana announced in the August 25 news conference that Ion Bistreanu handed over to Ukraine's President Leonid Kravchuk his credentials as ambassador extraordinary and plenipotentiary of Romania to Ukraine.

Romania thinks that the promotion and unfolding of relations of good neighborliness and collaboration with the sovereign and independent state of Ukraine, of mutual assistance and overcoming of the difficulties the two countries are faced with in the period of transition had a positive influence on stability, security, and peace in this zone of Europe," the foreign ministry spokesman said.

National Affairs

Government Debates Draft Economic Program

LD2508210893 Moscow ITAR-TASS in English 2045 GMT 25 Aug 93

[By UKRINFORM correspondent Mikhail Melnik for TASS]

[Text] Kiev August 26 TASS—The economic situation in Ukraine is nearing a critical point, according to the republican government which held a meeting on Wednesday [25 August] to discuss a draft programme of activities for September-December 1993 and for 1994.

Prime Minister Viktor Pynzenyk said that the draft programme envisions "tough measures to overcome the economic crisis," including energy saving measures, cuts in credits, reconsideration of the tax policy and strict control over export-import operations. These measures can cause social conflicts, but the government "has no other way out if we want to stabilise the economic situation," the premier stressed.

After corrections are made in the draft programme, it will be submitted to the Ukrainian parliament.

Kuchma, Others View Prospects of Sugar Harvest

LD2508133793 Kiev UKRINFORM in Ukrainian 0634 GMT 25 Aug 93

[Text] [No dateline as received]—Ukrainian Prime Minister Leonid Kuchma held a meeting with heads of the Food Industry State Committee, the Ukrainian Sugar [UkrTsukor] concern, and directors of regional associations of the sugar industry just as the sugar beet harvest is about to begin and sugar works are about to be launched.

It was noted during the meeting that rural workers have grown a good crop of sugar beet and that the conditions exist for more sweet produce to be available this year than last. The root beet has to be harvested, taken to receiving centers and processed as quickly as possible and without losses. To this end, a number of urgent issues have to be settled.

In particular, sugar raw material prices have to be determined, guaranteeing the proper profitability of production; processing enterprises have to be provided with spare parts, fuel, and the other materials they require; appropriate conditions must be created for the work and daily life of those working in the sugar harvesting and processing industry and economic ways of motivating them have to be introduced.

Leonid Kuchma stressed that particular attention should be paid to the technological refitting of sugar production units at all stages, ranging from field work to the final output. He noted that all the necessary machinery could and should be manufactured in Ukraine, and that any proposals to that end will be supported by the government.

Rukh Pickets Cabinet; Plans To Submit Demands

LD2608080193 Kiev UNIAR in Ukrainian 0730 GMT 26 Aug 93

[Excerpts] Kiev, 25 Aug—The City of Kiev's Branch of Rukh [People's Movement of Ukraine] has started picketing the Cabinet of Ministers for an indefinite period of time. The chairman of Rukh's Pecherskiy Rayon branch, Eduard Dobzhanskyy, told a UNIAR correspondent that the action was being held with the purpose of preventing Ukrainian Prime Minister Leonid Kuchma from signing an agreement on forming a new economic union. [passage omitted]

Rukh members from Kiev are planning to submit a number of demands directly to the Ukrainian Government.

'Modest' Celebrations in Crimea on Independence Day

MK2508114093 Moscow NEZAVISIMAYA GAZETA in Russian 25 Aug 93 p 3

[Aleksandr Pilat report: "Whither the Peoples of Crimea? Political Passions Flare Up With Renewed Force as Ukraine's Second Anniversary of Independence Is Marked"]

[Text] Separatist and pro-Russia tendencies sharply intensified in Crimea in connection with the observance of the second anniversary of Independence Day proclaimed by Ukraine. Celebrations are extremely modest. Official anniversary meetings not attended by top officials of soviets and administrations were held in cities and rayon centers. In Sevastopol, Ivan Yermakov, the president's representative in the city, and City Soviet Chairman Viktor Semenov were not present at such a meeting. Also not taking part in the celebrations were Nikolay Bagrov, chairman of the Crimean Supreme Soviet, and Boris Samsonov, chairman of the Council of Ministers of Crimea.

Ukrainian state symbols are not widespread in Crimea. The state flag is flying only on top of the building of some soviets along with the Republic of Crimea flag. Hoisted in most of the towns and rayon centers is the Crimean flag alone. Nor were Ukrainian flags seen in greater numbers during these days. In Simferopol, they were run up the flag pole only of the "Krymneftegazprom" industrial association. Observers note that last year, when the first anniversary of the proclamation of Ukraine's Independence Day was marked, Ukrainian state flags were deployed on the flagpoles at the entrance to the Crimean Council of Ministers. Its chairman at the time was Vitaliy Kurashik, known for his pro-Ukraine views, who was trying to oppose the anti-Ukraine stance of a number of Crimea's Supreme Soviet deputies. The situation changed with the election of Boris Samsonov as new chairman of the Council of Ministers during the spring session of Crimea's parliament. At one time, Boris Samsonov was in the Crimean Oblast Party Committee headed by Nikolay Bagrov. They have no differences.

Pro-Russia forces posted a few pickets in Sevastopol during the anniversary meeting marking Ukraine's Independence Day. In Sevastopol's Nakhimov Square there was a meeting organized by the bloc of left-wing forces. Despite the ads in the newspapers and leaflets put up around town, the meeting was attended by not more than 300 people. Representatives of parties and movements of communist persuasion voiced demands for a referendum in Ukraine on confidence or no-confidence in the Ukrainian president as scheduled, that is on 26 September. Yeltsin, Kravchuk, and Shushkevich were called betrayers of the USSR, who sold themselves to American imperialism and international Zionism, and hirelings of the world capital. The meeting was addressed by Aleksandr Kruglov, chairman of the Sevastopol National Salvation Front committee, chairman of the Russian People's Council of Sevastopol, deputy of the Supreme Soviet of Crimea and of the Sevastopol City Soviet. He stated in part: "The main strategic and tactical task facing the patriotic and communist forces is the total disintegration of Ukraine. Only after this will Ukraine return into the Union."

An appeal to the presidents of Russia and Ukraine demanding "unification of the two republics—Russia and Ukraine—into a single state" was adopted.

On 24 August, a meeting organized by the republican movement of Crimea and the republican party of Crimea was held on the square outside the Supreme Soviet of Crimea. Some 400 people turned up for the meeting. The movement's chairman, Yuriy Meshkov, deputy of the Supreme Soviet of Crimea, stated: "If Russia and Ukraine unite into a single state, Crimea would not campaign for the withdrawal from the territorial entity—Ukraine. When the Soviet Union was there, it was not important at all, part of what this or that territory was. At present, Ukrainian separatists have created a so-called independent state. We demand that non-Ukrainian lands be taken away from it." The chairman of the Republic of Crimea regards as non-Ukrainian lands not only Crimea, but also Donbass, the entire east Ukraine, the Odessa and other oblasts on the Black Sea coast. The idea of the revision of borders, however, has no backing in Crimea among an overwhelming majority of the population despite the allegations of the leaders of pro-Russia parties and movements of the peninsula.

Ukrainian parties and movements in Crimea also held meetings on these days. Taking part in their events were also representatives of the Crimean Tatars. The

Assembly of the Crimean Tatar People, and the organization of the Crimean Tatars national movement, support the Ukrainian organizations' efforts in assisting the deported people to create, on the territory of Crimea, a national autonomous state of the Crimean Tatars as part of Ukraine. Believing that some high-ranking persons in Kiev fear such a turn of events, Refat Chubarov, deputy chairman of the Crimean Tatar People's Assembly, said in an interview for NEZAVISIMAYA GAZETA: "The fears are absolutely unfounded. We see the possibility of creating a statehood in Ukraine alone, and its further existence with Ukraine's support alone. As for the further fate of the Crimean Tatar people, it will be decided by our distant generations." Crimean Tatar leaders repeatedly stated that Crimea's rejoining Russia is out of the question, whereas more radically minded figures think that "Crimea would sooner join up with Turkey than return into Russia."

Observers regard as a serious mistake the fact that all parties and movements of the peninsula without exception totally ignore the right of the Crimean Tatar people to self-determination.

Crimea is in for a great number of political events. A meeting of the presidents of Russia and Ukraine will take place on 3 September. A regular session of the Supreme Soviet of Crimea is to open approximately on 8 or 9 September to confirm the composition of the republic's new government. One week after that, it is to pass the draft laws "On Elections to the Supreme Soviet of Crimea" and "On the President of the Republic of Crimea," and to name the date for elections. The first draft law passed its first reading during the spring session of the Crimean parliament. The deputies voted against reserving 14 out of the 80 seats for the Crimean Tatars. Even if the quota were confirmed, it does not suit the leaders of the Crimean Tatar movement. They are pressing for a two-chamber parliament with the Assembly as its second chamber.

It is very possible that Ukraine President Leonid Kravchuk will be coming to one of the sessions of the Supreme Soviet of Crimea.

Kravchuk Issues Decree on Resettlement of Chernobyl Victims

LD2508104093 Kiev UKRINFORM in Ukrainian 0534 GMT 25 Aug 93

[Text] [No dateline as received] The Ukrainian president has issued a decree aimed at more actively meeting legal requirements on issues of the protection of those who suffered from the Chernobyl disaster and the elimination of serious drawbacks found in the work of a number of ministries, departments, and bodies of state administration in Zhitomir, Kiev, Rovno, and Chernigov oblasts, on resettling people from contaminated areas, and resolving issues of population health protection and housing provision. It, in particular, envisages that within a month the Cabinet of Ministers will prepare and take additional measures to complete the resettlement of the affected population residing in the area of unconditional (mandatory) resettlement by the end of 1994 and will take measures to overcome (a tendency to) lag behind in the construction of housing, social, and cultural, and production-purpose facilities for the population affected to be resettled, with a standing procedure to be introduced for the Ukrainian Cabinet of Ministers to examine reports on these issues from ministries, departments, and the (above) oblasts' bodies of state administration on a three-month basis. It is proposed that the required privileges and measures should be provided for to support the economy of collective agricultural enterprises (i.e. collective farms) on the land contaminated with radiation.

The Ukrainian Health Protection Ministry and Ukraine's "MinChernobyl" [Ministry for the Protection of Population from the Aftermath of the Chernobyl Nuclear Power Plant Accident] are to put forward proposals on fundamentally improving the provision of the affected areas with key medical personnel and medications and the supply of republican and regional medical centers with modern equipment.

Belarus

Deputies Seek Discussion of Energy and Credit Policy

WS2508121793 Minsk Radio Minsk Network in Belarusian 0300 GMT 25 Aug 93

[Text] A group of Belarusian people's deputies—Zablotskiy, Novik, Alampiev, Naumchik—have addressed the Belarusian Supreme Soviet chairman and the prime minister with a proposal to discuss the issues of the Republic's energy supplies as well as financial, money, and credit policy at the upcoming Supreme Soviet session. The letter says that despite the guarantees issued by high level officials describing the energy resource supplies of the Republic as sufficient, the situation is critical. Therefore, the deputies ask to be provided with the information, which will be published in the press, on the future 1993 gas and oil supplies—prices, volumes of deliveries, and mechanisms of clearing operations—resulting from the intergovernmental agreements with the CIS states and various intergovernmental structures.

Trade Unions Call Current Situation 'Extreme'

WS2508121693 Minsk Radio Minsk Network in Belarusian 0515 GMT 25 Aug 93

[Text] The Belarusian Trade Union Federation [BTUF] has issued a statement in which it called the current social-economic situation in the Republic extreme. The reason for this situation is the energy crisis. The BTUF proposes to discuss the situation at the upcoming regular Supreme Soviet session. In addition, they propose to encourage Belarusian production, and to speed up the creation of the economic union.

U.S. Delegation Discusses Assistance in Military Contracts

WS2508122393 Minsk Radio Minsk Network in Belarusian 1000 GMT 25 Aug 93

[Text] A U.S. delegation has completed a visit to Belarus after holding negotiations on the issue of introducing the competitive system of winning new military contracts. The delegation also discussed financial assistance to Belarus.

After the disintegration of the USSR, Belarus faced the threat of a complete halt of shipments of military equipment to newly independent states. At the same time, Belarus lacks experience in entering international arms markets. U.S. managers have made an attempt to close this gap. For three days, they held negotiations with government officials and met the management of the Belarusian Defense Ministry.

Government Committee Drafts Program for Returning Soldiers

WS2508122293 Minsk Radio Minsk Network in Belarusian 0700 GMT 25 Aug 93

[Text] A session has been held at the state committee for drafting a program for returning servicemen who are citizens of the Republic of Belarus. The session discussed the draft program. A BELAPAN correspondent has been told by Marat Myasnikov, chief specialist for social security of servicemen at the Belarusian Council of Ministers, that the project envisions the return to Belarus of some 21,000 extended servicemen, first from hotspots, by the end of 1993. In the near future, the draft will be submitted for approval by the Council of Ministers.

Moldova

Economic Crisis, 'Tension' Mark Independence Day

LD2508141393 Moscow ITAR-TASS in English 1406 GMT 25 Aug 93

[By ITAR-TASS correspondent Fyodor Angeli]

[Text] Chisinau August 25 TASS—The situation in Moldova looks calm on the eve of the second anniversary of independence on August 27 but is marked by tension of the entire society. The economy is experiencing an acute crisis. Experts of the National Bank estimated that the budget deficit will make up nearly 170 billion roubles this year. Because of raw materials shortages many industrial enterprises operate below capacity. Good crops have been grown, but toilers are concerned: fuel needed for the harvesting is lacking.

The absolute majority of the Moldovan population is losing the hope that the situation may improve. Wages and salaries in Moldova are several times lower than in many former Soviet republics. The average wages in the first five months were 9.6 thousand roubles which does not supply even a quarter of the subsistance minimum. The pay is overdue for several months. There are many paupers in the streets. There are pathetic sights of old people rummaging through garbage cans or selling cheaply their few remaining books to survive.

The Moldovan society split into two camps in the past two years. The supporters of Moldovan independence who form the absolute majority are opposed by various political groups of unionist kind that are in the Popular Front, the Congress of Intelligentsia, the Democratic Labour Party and others. The parliament has split. It is clear to all, regardless of their nationality, that there is no alternative to Moldova's sovereignty and independence. Instead of realism and pragmatism unionists display only ambition bordering on adventurism. Moldovan public assessed as neglect for national interests of the majority of the people the fact that unionist deputies disrupted ratification of the economic part of the Minsk

agreement on Moldova's entering the CIS. Proclaiming themselves as opposition, they only accuse everyone and show suspicion with regard to Russia which they describe in no other way than as an empire. They refuse to realise that Moldova's special relations with Romania only cannot make up for its contacts with other countries, including those in the CIS, in the economy, and in politics.

Puscas, Ukrainian Delegation Discuss Relations, CIS

AU2108132593 Chisinau BASAPRESS in English 1752 GMT 19 Aug 93

[Text] Chisinau BASAPRESS, 19/8/1993—Today, in Chisinau, a meeting between Victor Puscasu, the vice-president of Parliament, and a parliamentary delegation from Ukraine, headed by Anatol Chepurnol, the chief of the Commission for Agricultural and Industrial Problems from the legislative body from Kiev took place. Puscasu informed guests about the socio-political situation in Moldova and underlined that 22 per cent of Moldovan foreign economic relations are concentrated on Ukraine. At the same time, Puscasu stated that most Parliamentary factions from Chisinau support the idea of economic links with countries of the CIS. "Although the CIS agreement has not been ratified, we decided during a Presidium sitting to recommend to the government to participate in ordinary meetings of the Economic Community," communicated Puscasu. He pointed out the possible negative effects which the process of privatisation could have in Moldova, such as: purchase of industrial units by persons who possess important sums of money obtained in an illegal way, what is in itself a contradiction with the principle of social equity.

Romanian Business Delegation Begins Talks on Assistance

AU2508202493 Chisinau BASAPRESS in English 1715 GMT 25 Aug 93

[Text] Chisinau BASAPRESS, 25/8/1993— A delegation of the General Union of Romanian Businessmen arrived today in Chisinau. The visit aims to fulfill the agreements between the two Romanian states about the economic aid for Moldova. The delegation is led by Gheorghe Paunescu, chairman of the union, and the meeting is hosted by the Moldovan Scientific-Industrial Union. Both unions are members of the International Congress of Businessmen. The meeting will be one-day long and will end by signing of an agreement on the strategic ways of cooperation. The Romanian businessmen will meet with high dignitaries of the Moldovan Government. "The governments signed an agreement to supply Moldova with large amounts of fuel; now the businessmen must create a way to fulfill it," stated Sergiu Radautan, chairman of the Moldovan Scientific-Industrial Union, during the briefing at Chisinau airport. "It is mistaken to believe that Moldova and Romania compete in the agricultural production. The consumption is so big that one cannot speak of too much agricultural production in the next 30-40 years," stated Paunescu to a BASAPRESS reporter. He added that industries on both side of the Prut River "should further develop the production they are specialized in and be interested in the units of former USSR and the former Council of Mutual Economic Help" [sentence as received].

IMF Representative Urges Moldovan Links With CIS

PM2508143593 Moscow ROSSIYSKAYA GAZETA in Russian 20 Aug 93 First Edition p 6

[Unattributed report from "In the Commonwealth Countries: Events, Facts, Commentaries" column]

[Text] To get out of its crisis, Moldova must establish close economic links with the CIS countries, Abdersatar Oanes [name as transliterated], head of the IMF mission in the republic, told journalists. He noted that the IMF will actively support all efforts to integrate Moldova with Western countries, but it should not neglect links with the former Soviet republics, he said.

Armenia

Yerevan Updates Fighting, Azerbaijani Attacks

NC2508164093 Yerevan Radio Yerevan in Azeri 1330 GMT 25 Aug 93

[Excerpts] Dear listeners, we now present a report on the latest incidents in the Nagorno-Karabakh Republic [NKR] and the border between Armenia and Azerbaijan. [passage omitted]

Azerbaijan's military forces have tried to attack the humanitarian corridor in Lachinskiy Rayon during the past few days. However, their attempts have been unsuccessful. The Armenian forces are aware of the importance of that corridor for the NKR people's liberation struggle. As such, they are defending that corridor with their lives.

The Azerbaijan National Army units have been observed to assemble in Kubatlinskiy Rayon. It will not be long before they attack the corridor in Lachinskiy Rayon.

Intensive combat operations were carried out in the southern part of that corridor the night before last. Azerbaijan's military units also used their military aircraft, helicopters, heavy artillery units, and Grad rocket launchers. They bombarded several parts of the Stepanakert-Lachin-Goris highway. The NKR defense units were forced to take retaliatory measures to silence Azerbaijan's fire emplacements.

According to the NKR Defense Headquarters, no significant incidents occurred in Artsakh [Nagorno-Karabakh] last night or this morning. The operative situation remains unchanged. However, the situation on NKR's southern border has been rather tense. The fighting in that region is mainly in the form of positional fighting between the two sides.

Azerbaijan's military units have frequently fired on Kusapat in Gadrutskiy Rayon. However, NKR's defense forces succeeded in silencing the enemy positions that fired on the border residential areas in Gadrutskiy and Martuninskiy Rayons. Consequently, the commander of NKR's defense forces instructed his units to withdraw to their former positions. It will be recalled that the NKR declared several times in the past that it does not claim any territory in Azerbaijan.

The situation on the border between Armenia and Azerbaijan remains unstable. A clash occurred in Gorisskiy Rayon's defense zone last night. The enemy units have not embarked on any provocative activities since that clash. Nevertheless, Azerbaijan has been observed to mass armored vehicles and reinforcements in that area.

Vardenisskiy Rayon has also been fired on. The Armenian forces returned the fire.

Nerkin-Karmiragyur in Armenia's Tavushskiy Rayon was fired on from Azerbaijan's Tauzskiy Rayon early this morning. No one was hurt.

The incidents we have brought to your attention indicate which side is responsible for the worsening of the confrontation in the region.

Vice Premier Sums Up Finance, Monetary Talks in Moscow

MK2508122093 Moscow NEZAVISIMAYA GAZETA in Russian 25 Aug 93 p 3

[Unattributed report under the "NEGA Reports" rubric]

[Text] On 24 August, a press conference was held by Armenian Vice Prime Minister Vigen Chitechyan on results of the three-week-long talks in Moscow devoted to finance and monetary relations between Russia and Armenia. The Armenian delegation, which included Chitechyan; Finance Minister Barkhudaryan; Isaakyan, chairman of the board of the State Bank of Armenia; and Sarkisyan, chairman of the Finance and Credit Commission of the Republic of Armenia Supreme Soviet, held meetings with Russian Prime Minister Chernomyrdin; Gerashchenko, chairman of the Central Bank of Russia; and their deputies. The Armenian delegation also met with delegations from Kazakhstan and Uzbekistan, who are conducting similar talks with Russia.

The outcome of these talks is the preparation of an agreement on a monetary union, and an agreement between the banks and governments of Russia and Armenia. According to Chitechyan, during the talks the Russian side set to the countries that wish to stay in the ruble zone the condition that they undertake to observe certain general credit, tax, finance, and customs policy principles. The concrete mechanisms for the realization of these principles have not been defined yet. According to Chitechyan, the final question [as published] of Armenia's staying in the ruble zone can be solved by the time of the 7 September meeting of government leaders of the CIS countries in Moscow, where corresponding documents will probably be signed. In his words, a possible introduction in Armenia of temporary bank notes to be printed in Russia has not been ruled out. This, however, will take place if Kazakhstan and Uzbekistan decide to introduce their own currency.

Chitechyan expressed confidence that Armenia's economy is not going to experience special difficulties before the monetary agreement is finally signed.

Visiting Chinese Delegation Discusses Health Issues

NC2508145893 Yerevan ARMENPRES International Service in Armenian 0816 GMT 25 Aug 93

[Text] Yerevan, 25 Aug (ARMENPRES)—A Chinese Health Ministry delegation, headed by First Vice Minister of Public Health Sun Longchun is on an official visit to Armenia.

The Health Ministries of the two countries will sign a cooperation agreement.

The visiting delegation is familiarizing itself with the educational establishments training Armenian doctors and the activities of medical institutions.

Vice President Gagik Arutyunyan and Health Minister Ara Babloyan received the delegation today.

Plans To Reopen Nuclear Power Station Discussed

PM2508114993 Moscow Russian Television Network in Russian 1600 GMT 21 Aug 93

[From the "Vesti" newscast: Video report by E. Sakhinov]

[Text] The acute fuel and energy crisis in Armenia and the lack of any energy resources of its own have forced the Armenian Government to make a definite decision on the commissioning of the Armenian nuclear power station. It was shut down right after the destructive 1989 earthquake. Since then many of its units, components, and machines have become totally unserviceable. The station cannot be brought on stream in the immediate future without additional financing, technological improvements, and the provision of earthquake protection. These were matters discussed during the visit to Armenia by a delegation from the IAEA—the International Atomic Energy Agency—headed by Maurice Rozen [name as heard], deputy chairman of the Safety Department. The IAEA is prepared to provide assistance in reopening the Armenian nuclear power station. Turkey objects and, at the same time, is not allowing freight destined for Armenia to be carried on its territory.

Azerbaijan

Special Russian Envoy Discusses Karabakh With Aliyev

NC2508200993 Baku Radio Baku Network in Azeri 1700 GMT 25 Aug 93

[Text] Geydar Aliyev, acting president and chairman of the Azerbaijan Supreme Soviet and National Assembly, met Vladimir Kazimirov, Russia's special envoy and head of the mediating mission for the peaceful settlement of the dispute in Yukhary Karabakh, late last night and informed him that Azerbaijan has been alarmed by the recent developments in Fizulinskiy and Dzhebrailskiy Rayons, which border Iran. Ambassador Kazimirov arrived in Azerbaijan as President Yeltsin's personal representative. A special plane was sent from Baku to fly him to the republic. Aliyev briefed him in detail on the operative situation in the republic's southwestern areas.

According to reports from the front, the worsening situation in that part of Azerbaijan has led to the occupation of several rayons, loss of control of Fizuli and Dzhebrail, destruction and the setting on fire of many residential areas in Fizulinskiy and Dzhebrailskiy Rayons, and an increase in the number of refugees. Aliyev stressed that despite all this, the Armenian side has claimed that the situation is peaceful.

Aliyev also briefed Kazimirov on the clash that took place in Fizuli on 23 August. He said: President Levon Ter-Petrosyan tried to convince me during the telephone conversation we had after the situation was clarified that Armenian forces were not in Fizuli.

Aliyev's proposal during the fighting that Russia's mediator should travel to the combat areas and take part in the talks that have to be held between Armenia and Azerbaijan was accepted. Aliyev opined that auspicious results could be achieved through such a meeting. He said that he might be forced to adopt a responsible decision in a few hours to evacuate the residents of Zangelanskiy and Kubatlinskiy Rayons. The two rayons will be isolated from the rest of the republic if Fizulinskiy and Dzhebrailskiy Rayons are occupied.

Aliyev agreed with Kazimirov's view that it is no longer enough to reiterate the need to find a political solution to the dispute between Armenia and Azerbaijan. The guest stressed that action should be taken to obstruct a new tragic situation in the region. He said that talks must be held to remove the dispute.

Aliyev did not rule out the possibility of direct contacts with Khankendi [Stepanakert] for the sake of ending the exchange of fire and obstructing bloodshed. He said: Contacts were established at military [word indistinct] level. However, that should not be regarded as the recognition of Daghlyk Karabakh as an independent republic.

Aliyev also said that he contacted Armenia's leaders by telephone in the past few days. He mentioned that several officials in Azerbaijan also called the Armenian representatives in Khankendi. However, he noted: Regardless of the agreement, which called for a cease-fire and cessation of combat operations in the disputed areas, the Armenian side violated the five-day cease-fire and occupied new areas in Azerbaijan on 23 August. That agreement was concluded through Russia's mediation.

Aliyev also said that efforts to contact the Armenians have not yielded any results.

Kazimirov asserted that Russia's leaders feel uneasy over the developments in Azerbaijan's southwestern areas and the disputed region in general. He said that Russia issued an official statement today on the escalation of the military activities of the Armenians in Karabakh and, as he put it, the dangerous nature they have assumed. Kazimirov asserted that the Armenians in Karabakh and the leaders in Armenia have been informed on the statement. According to Kazimirov, there is no reason for the advance of the Armenian Armed Forces in Fizulinskiy and Dzhebrailskiy Rayons, which are outside Daghlyk Karabakh's territory. He said that the information he has indicates that there is no threat to Armenians in Karabakh in the two rayons.

Kazimirov described the continuation of the combat operations outside Yukhary Karabakh as irresponsible and said that the level at which the decision was made to maintain the operations must be established. Kazimirov stressed that developments in Azerbaijan, which have forced hundreds of thousands of Azerbaijan's peaceful citizens to become refugees, have alarmed and angered officials in Russia. He said: Russia cannot remain indifferent to the fate of those people, regardless of their nationality, and demands that the combat operations be quickly halted and the attacking forces be withdrawn to Yukhary Karabakh. Russia insists that bloodshed, combat operations, and other aggressive activities in the disputed areas be immediately halted. A peaceful way must be found through talks between all the sides concerned to end the dispute in stages.

Kazimirov also said that the first step to achieve that objective should be the withdrawal of all the occupation forces from Azerbaijan's territory. He asserted that Russia will comply with the UN Security Council resolutions in its contacts with the CSCE Minsk group on the matter.

Leaves Baku for Conflict Zone

LD2608112393 Moscow ITAR-TASS World Service in Russian 1000 GMT 26 Aug 93

[By unidentified ITAR-TASS correspondent]

[Text] Baku, 26 Aug ITAR-TASS—Vladimir Kazimirov, ambassador at large and head of the Russian mediatory mission for a peaceful settlement in Nagorno-Karabakh, is to study the developing situation in a trip to the southwest of Azerbaijan. He left Baku for the conflict zone today.

In the opinion of unofficial sources, it has not been ruled out that during the Russian diplomat's mediatory mission in the conflict zone, there will be a meeting between representatives of Azerbaijan and the Armenians in Nagorno-Karabakh, since a number of republican officials are accompanying the ambassador. According to the official version, an accord on this has not been reached despite hours of telephone calls between Baku, Yerevan, and Khankendi (Stepanakert).

Vladimir Kazimirov, who arrived in Baku on 24 August as the personal representative of the Russian president, informed the Azerbaijani leadership of his country's position regarding a solution to this complex problem, and noted the importance of direct contacts between the opposing sides. At a meeting with Geydar Aliyev, acting president and chairman of the Azerbaijani Supreme Soviet, the Russian diplomat stated that "he sees no reason for the advancement of Armenian Armed Forces in the Fizulinskiy and Dzhebrailskiy Rayons, which are situated outside Nagorno-Karabakh."

Armenian Attacks Near Corridor Detailed

NC2508160893 Baku ASSA-IRADA in English 1518 GMT 25 Aug 93

[Text] Baku, 25.08.93 (ASSA-IRADA)—Information of Armenian sources about attacks of Azerbaijan Army on the Lachin corridor is the pretense to justify offensive on Kubatlinskiy district.

According to military observer of ASSA-IRADA, after occupation of Kelbadzharskiy district in March-April of this year the width of the so-called corridor between Armenia and the former Nagorno-Karabakh has exceeded 100 km. Now it is the turn of Kubatlinsky district. If Armenian aggressor's plan succeeds, the width of the corridor will increase more 35 km. Armenian Air Force has already attacked the Gyulebird village on August 22. The attacking operations of Armenian Army are supported by artillery. According to the Defence Ministry of the republic, in the afternoon Armenia attacked Azeri positions from Gorisskiy district of Armenia in the direction of the Gyulebird village. At the same time there is offensive toward the Bashrat village, possession of which could allow Armenian troops to attack Gyulebird in the rear.

Aliyev Releases Hostages; Urges Armenian Reciprocation

LD2608102893 Moscow ITAR-TASS World Service in Russian 0915 GMT 26 Aug 93

[By AZERTAC correspondent Natan Barskiy for TASS]

[Text] Baku, 26 Aug—Azerbaijan has released 29 Armenian hostages after mediation by the International Committee of the Red Cross and is calling on Armenia to reciprocate, Gaydar Aliyev, acting president of Azerbaijan and chairman of the republic's National Assembly, announced today.

Discussing the war that has been going on for five years on Azerbaijani territory, Gaydar Aliyev pointed out that the Armenian side has taken 2,804 hostages during the conflict (as of 1 August); 320 of them were women, 71 were children, and 173 were old people. None of the measures taken by the Azerbaijani side to secure their release have brought results. Azerbaijan has taken the initiative itself and freed hostages for humanitarian reasons and in an attempt to resolve the conflict peacefully, the head of state said.

We are ready to resolve problems that emerge in the future on the basis of humanitarian principles and international law, Gaydar Aliyev stressed.

UN Representative Explains Stance on Karabakh

PM2508142593 Moscow KRASNAYA ZVEZDA in Russian 25 Aug 93 p 1

[Vitaliy Strugovets report: "UN Security Council Has Noted Indirect Armenian Involvement in the Karabakh Conflict"]

[Text] UN representative in Azerbaijan Mahmud al-Sa'id has held a news conference in the Azerbaijani capital to explain certain points in the UN Security Council chairman's statement on the situation in Nagorno-Karabakh and the surrounding area. According to him, the Security Council has urged the Armenian Government to refrain from supplying forces in Nagorno-Karabakh with weapons that could lead to a further widening of the military campaign on Azerbaijani territory.

The basis for this statement, the diplomat informed his listeners, was the report to the United Nations which he had prepared after his trip to the conflict areas in southwest Azerbaijan and which, according to him, had "a bombshell effect" in the community of nations.

Reports on Refugees

NC2508162693 Paris AFP in English 1611 GMT 25 Aug 93

[Report by Christopher Boian]

[Text] Baku, Aug 25 (AFP)—Some 220,000 new refugees from the latest fighting in southwest Azerbaijan were "on the move" including as many as 50,000 along the Iranian border, a U.N. official said here Wednesday.

Thousands of people were walking along roads heading south towards the Araks river separating Azerbaijan and Iran and many more heading east from villages around the town of Fizuli which fell to Armenian forces last week, he said.

The U.N. representative in Azerbaijan, Mahmud al-Sa'id, said he had seen reports of "a small number" of the refugees crossing the border into Iran and added that the numbers of civilians fleeing the fighting were "dramatically increasing" over the past two weeks.

The official Iranian news agency IRNA reported Tuesday [24 August] that a group of refugees had already crossed the Araks river, on the border between the two countries, and was settled on an island in no-man's land, pleading for asylum.

Al-Sa'id, who has twice visited frontline areas in southwest Azerbaijan since August 12, noted that there were only two border crossing points in the mountainous terrain in the region providing only a limited escape route for the refugees.

"We have our hands full," al-Sa'id stated, adding that government shelters given to organizations coordinating refugee relief operations were already full to capacity.

Al-Sa'id and spokesmen for relief agencies with operations in Baku said the overall number of refugees in Azerbaijan had swollen in recent months to an estimated 700,000.

"If things continue like they are we will be approaching one million soon," al-Sa'id stated.

Azerbaijani civilians have been fleeing the fighting in and around Nagorno-Karabakh for years, but their numbers rose sharply beginning last April after Armenian forces captured the western region of Kelbadzhar, located between Karabakh and Armenia, displacing tens of thousands.

Armenian conquests in recent months around the western Azerbaijani city of Agdam and around a number of key cities and towns in the southwest have sharply increased the numbers of refugees.

The Iranian government has expressed worry about the swelling numbers of Azerbaijani refugees near its borders and has called on the Armenian forces of Nagorno-Karabakh to cease attacks.

Azerbaijani and foreign officials here said the Armenian forces have now occupied roughly 20 percent of Azerbaijan's pre-war territory.

More than 10,000 people have been killed in the bitter five-year war for control over Nagorno-Karabakh, located inside Azerbaijan but inhabited mostly by Armenians.

The U.N. High Commissioner for Refugees (UNHCR) on Wednesday [25 August] sent a team from Tehran to Iran's northwestern borders to evaluate the situation.

Iran has been bracing for the arrival of tens of thousands of refugees after reports that gunfire and explosions from the battlezones to the north could be heard from Iranian territory.

Security forces in the northwestern Iranian province of Azerbaijan have been put on alert and Iranian leaders have decided to send military reinforcements to the region, according to informed sources in Tehran.

'Thousands' of Afghan Mojahedin Arrive in Karabakh

NC2208175593 Istanbul TURKIYE in Turkish 17 Aug 93 p 5

[Report by Murat Arvas and Erkin Alptekin; names and titles as published]

[Text] Thousands of Afghan mojahedin, who were upset with the Azerbaijani Army's retreat before and constant loss of territory to the Armenians, organized regular units and arrived in Karabakh.

Reports were obtained to the effect that the mojahedin, who fought alongside the Azerbaijanis in Agdam, which is now occupied by the Armenians, and in Fizuli, which is trying hard not to fall, were successful in some sectors of the front and managed to oust the Armenians from certain positions.

Another group of Afghan mojahedin are fighting in Kashmir, which is under Indian occupation.

The leaders of the mojahedin group with whom we spoke on the Baku-Sabirabad road, which they use to go to the front, did not want to be photographed, saying that their only aim is to help the Muslims oppressed by the infidels and thus obtain Almighty God's mercy.

"We Came for Jihad"

The leader of the Afghani mojahedin group Benhar Imamel said: "We came here solely to wage jihad. It is our job to engage in jihad. At present, a war is going on between Muslims and infidels in many parts of the world. It is our duty to rush to the help of all the Muslims in difficult situations."

While no official statement has ever been issued on the arrival of mojahedin in Azerbaijan, some officials expressed anxiety that Azerbaijan might pay dearly for this situation.

Asked about the participation of many Azerbaijani soldiers in the Red Army during the Soviet occupation of Afghanistan, mojahedin leader Benhar Imamel replied: "This is Providence. We do not believe that any of them came to kill the Muslims; they had no other choice."

The mojahedin, who have no links with the Afghanistan and Azerbaijan Governments, were mostly former defenders of Afghanistan's northern regions, and this is proven by the fact that most of them know very good Turkish. As is known, this region was defended by Uzbek Turks and by the Northern Afghanistan Provinces Islamic Union Organization under the leadership of Azadbeg Kerimi, who was also the leader of the Turkmens. It was indicated that some of Uzbeks and Turkmens were closer to Ahmed Sah Mesud and fought under the command of Mohammed Zaman.

The Mojahedin in Kashmir

In a statement to our correspondent Erkin Alptekin, Mohammed Zaman, who is one of the commanders of the mojahedin forces fighting the occupationist Indian forces in Kashmir, said that the mojahedin under his command came from various Muslim countries and that they are mostly engaged in teaching war techniques to Muslim Kashmirites.

Elchibey, Aliyev Said Discussing Plans To 'Share Power'

TA2508151893 Ankara ANATOLIA in English 1450 GMT 25 Aug 93

[Text] Baku, August 25 (AA)—President Abulfaz Elchibey, who was stripped of his presidential powers by the Azeri parliament, and Geydar Aliyev, parliament speaker who exercises these powers for the time being, have been in contact from time to time to "share power," AA has learned.

Sources in Elchibey's People's Front said that the issue of power sharing was being tackled both between the Front's leaders and Aliyev as well as between Aliyev and Elchibey.

Both leaders have adopted a positive stand towards cooperation and sharing power, so as to establish unity in the country, in the face of the Armenian invasion, the same sources said.

Elchibey left the capital city Baku in June to avert bloodshed, in the face of a rebellion led against him by Surat Guseynov, who has since become premier.

Diplomatic sources say that Turkish Foreign Ministry Undersecretary Ozdem Sanberk who had a talk with Elchibey in Nakhichevan and is to visit Baku to meet Aliyev, could be involved in an effort to bring the two leaders to an agreement.

Meanwhile a referendum scheduled for Sunday [29 August] on the continuation of Elchibey's presidency might be canceled because a major part of the country is under invasion.

APF Militia Seize Referendum Ballots in Nakhichevan

NC2508171693 London Kanal-6 Television in Turkish 1630 GMT 25 Aug 93

[Text] The atmosphere is becoming more and more tense on the eve of the referendum to be held in Azerbaijan on 28 August [date as received].

The voting slips to be used during the referendum caused armed clashes in Nakhichevan.

Militia loyal to the Azerbaijani People's Front [APF] seized the voting slips sent from Baku to Nakhichevan at Nakhichevan airport today. This lead to a clash between APF militia and Interior Ministry troops, who organized an operation against the airport. Three persons were said to be injured during the clash. The Interior Ministry troops did not manage to get ahold of the voting slips.

Nihat Cetinkaya, the chief adviser to former President Abulfaz Elchibey, in a news conference in Istanbul urged the Turkish Government not to recognize the referendum to be held on 28 August. Elchibey, who called on the people to boycott the referendum, is not recognizing the legality of the referendum either.

Turkish Official Cautions Aliyev on Referendum

TA2608075293 Nicosia Bayrak Radio in Turkish 0500 GMT 26 Aug 93

[Text] Turkey has asked Azerbaijani Supreme Soviet Chairman Geydar Aliyev, who is exercising presidential powers in Azerbaijan, to ensure that a shadow is not cast on the 29 August referendum aimed at determining whether the people still support President Abulfaz Elchibey. In a statement during his meeting with Aliyev,

Ozdem Sanberk, Turkish Foreign Ministry undersecretary, warned that holding a referendum at a time when 20 percent of the country is under occupation could create certain problems in the future. Sanberk declared that Turkey believes that the Aliyev administration will take this point into account.

According to an Anatolia Agency report, Aliyev refrained from giving a direct reply to Sanberk and noted that Azerbaijan's biggest problem at this stage is Armenian attacks, the occupation of the country's territory, and the burning of its villages.

Aliyev's Victory Over Gumbatov Viewed

MK2608102093 Moscow NEZAVISIMAYA GAZETA in Russian 26 Aug 93 p 3

[Aydyn Mekhtiyev report: "Geydar Aliyev Consolidates Power on the Threshold of Referendum. Rebellious Colonel Gumbatov Flees Justice in Lenkoran Forests"]

[Text] Last Sunday's and Monday's events in Lenkoran, capital of the so-called Talysh-Mugan Republic, were assessed by many observers in Baku as a people's uprising against Colonel Alikram Gumbatov, the leader of local separatists. According to the Lenkoran Internal Affairs Department, nearly 2,000 residents of this city in the southeast took to the streets to demand immediate liquidation of the self-proclaimed Talysh-Mugan Republic and Colonel Gumbatov's resignation. The latter had ordered his armed formation to shoot at unarmed demonstrators. A greater part of the subunits, however, sided with the protesters. Soldiers true to Gumbatov, nevertheless, opened fire resulting in three civilian deaths. The dead were awarded the title of "National Hero of Azerbaijan" by an edict of Geydar Aliyev, acting president of Azerbaijan. In his address to the people, Aliyev stressed that the fugitive leader of the Lenkoran separatists, Colonel Gumbatov, should be arrested and brought to justice. According to Aliyev, standing behind the rebellious Gumbatov are ex-President Ayaz Mutalibov and ex-Defense Minister Ragim Gaziyev, who plan to overthrow the present authority in Baku.

The finale of the weeks-long Lenkoran drama that led to Gumbatov's fleeing, and the restoration of the central government's control over the seven rebellious southeastern rayons, upset all pessimistic forecasts that Colonel Gumbatov's actions were going to be fatal for the present authority in Baku. Let us recall that the rebellion in Gyandzha assisted the fall of the Elchibey regime. Geydar Aliyev, however, showed shrewdness in guessing the plotters' plans even at the preliminary stage: During a National Assembly session a week ago, Aliyev, having received information from the security services, pointed for the benefit of the deputies at Ragim Gaziyev, who was sitting in the parliamentary chamber, and demanded that he be immediately stripped of his deputy powers, calling him "one of the most dangerous enemies of Azerbaijani democracy." According to security services' information, also taking part in the plot was Araz Ali-zade, leader of the Social Democrats, who from time to time called Ayaz Mutalibov in Moscow to keep him posted on developments in Lenkoran. Following the publication of the names of the leaders of the possible putsch, the position of the rebellious Colonel Gumbatov became shaky, and the latter's statement to the effect that he would agree to hold a dialogue with Aliyev only if Aliyev publicly apologized to him was met in Baku with an ironic smile. Having keenly sensed anti-Gumbatov sentiments among the population of the rayons comprising the so-called Talysh-Mugan Republic, Aliyev decided against ordering the storming of Lenkoran, and gambled on the people's movement in this region. It is this movement that saved Aliyev from a political fiasco last November when the Nakhichevan People's Front fighters tried to depose him by force of arms from the post of leader of the Nakhichevan Autonomous Republic parliament. Today too, after Aliyev's victory over Gumbatov, even many opponents of the Azeri leader are forced to recognize his role in making the country, torn by political groupings' struggle for power, controllable again. According to the latest public poll conducted in Baku, Geydar Aliyev enjoys support of more than 80 percent of the 2 million residents of the capital of Azerbaijan.

Georgia

Joint Commission Continues Monitoring Cease-Fire Plan

LD2608113393 Tbilisi First Program Television Network in Georgian 0900 GMT 26 Aug 93

[Text] The eighth session of the joint commission for settlement of the ceasefire in Abkhazia discussed the implementation of the plan and the schedule for disengagement of the opposing sides and the withdrawal of troops. The session also discussed the issues of creating internal troops, subunits, and a regiment ordered by the joint commission. It was noted that the sides made significant efforts for disengaging the troops on the eastern front.

On 26 August, a joint inspection of the location of military hardware was held. The members of the joint commission participated in it. The joint commission demanded taking immediate measures for creating normal working conditions for temporary monitoring groups. The joint commission charged the Russian side to work out the possibility of assignment of a landing ship for carrying out the hardware and heavy equipment from the conflict zone. The opposing sides told the joint commission that combat technical equipment would not be used.

The opposing sides will eliminate fortifications after clearing the territory from mines. The joint commission confirmed its decision to allot three hundred people for the formations of internal troops and regiments. The

joint commission also confirmed the membership of the attestation commission of the regiments and subunits.

Troop Withdrawal Continues

LD2608091693 Moscow ITAR-TASS in English 0855 GMT 26 Aug 93

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Moscow August 26 TASS—The ceasefire agreement is on the whole observed along the stand-off line between Georgia and Abkhazia. The withdrawal of Georgian military equipment continued on Wednesday [25 August], the press office of the Abkhazian parliament reported today. A train with 13 howitzers and armored vehicles aboard left the village of Dranda heading to Ochamchir, from which 21 units of military equipment were sent by sea to the port of Poti. According to the same source, Georgian troops began withdrawing from the Gulripsh District.

Nevertheless, the situation in the conflict zone remains rather tense. Accoding to the press office, Abkhazian positions were fired upon early this morning from the village of Lata controlled by the Georgian side.

Abkhazia Refuses To Exchange Prisoners

LD2608085093 Tbilisi Radio Tbilisi Network in Georgian 0700 GMT 26 Aug 93

[Monitored in progress]

[Text] .. Last night was quiet in the conflict zone.

Today, the inspection groups of the tripartite commission will go to the scene and monitor the implementation of the agreement on the pullout of materiel and manpower.

Yesterday, the tripartite commission held a session to discuss a number of issues. The Abkhaz side suddenly refused to proceed with the exchange of prisoners which had been planned for 27 August.

Shevardnadze Establishes Commission on Abkhaz Conflict

LD2508184593 Tbilisi Radio Tbilisi Network in Russian 1500 GMT 25 Aug 93

[Text] In addition to the decree issued on 2 August 1993 by the head of state of Georgia on organizational measures for regulation of the conflict in Abkhazia, one more special decree has been issued by the head of state on setting up a commission for a full regulation of the conflict.

The aim of the commission, which includes members of parliament, heads of relevant ministries and departments, representatives of the military command and the bodies in the localities, famous scientists, and representatives of culture, is to define the status of the autonomous republic of Abkhazia within the framework of Georgia's territorial integrity, separating functions between the bodies of the central and autonomous authorities, forming the key regulations for the local bodies of government, and amplifying other political and legislative issues.

Organizational and technical issues of the activity of this commission are to be secured by Aleksandre Kavsadze, personal envoy of the head of state, who will also head the group that will provide information on a full regulation of the conflict in Abkhazia. The group will also be set up according to this decree.

Refugees Stipulate Measures Needed for Return to Abkhazia

AU2508114293 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 19 Aug 93 p 1

["Statement by Refugees From Abkhazia", place and date not given: "We Have Particular Views on Certain Questions"]

[Text] **We, refugees from Abkhazia who have signed our names below, support the cease-fire. At the same time, we have particular views on certain questions, which, if not taken into account, we believe will result in instability and subsequently could lead to the situation becoming uncontrollable.**

Our views are as follows:

1. To where should the Georgian armed forces that are made up of 90 percent of the local population be withdrawn?

In our view, these units should remain where they are and local conscripts should do their military service there. It is impossible to fathom which part of the territory is under the control of Abkhazian armed detachments.

2. In which zone will the joint police protect public order?

3. Who will be the legal body of power in Abkhazia today? As regards the Gudauta grouping, we do not view it as the legal body of power. They have neither the legal nor moral right to be in power. We have in mind Ardzinba [leader of the Gudauta-based government], Shanba [chairman of Aydgilara (Abkhazian People's Forum)], Ozgan, Achba [members of the Presidium of the Abkhazian Parliament], and others. They are war criminals who have organized the shedding of blood. On their direct orders, thousands of innocent people have become victims. It is our view that they should inevitably be brought to justice.

4. For some reason, only the leaders of the Gudauta grouping are signing the agreement whereas there also exists the opposing side in Sukhumi.

5. It is incomprehensible why the agreement of 3 September 1992 figures so often in the agreement [illegible]

result of this decision, Gagra Rayon was surrendered, which led to the massacre of the peaceful population.

6. As regards the return of the refugees, we believe it is necessary to implement the following measures:

a) To evict from the zone of occupation all those who, irrespective of their nationality, were not living on this territory before the war.

b) To assign a commission to establish those guilty of massacring the peaceful population; those exposed should be isolated and put on trial in accordance with the current procedure prior to the return of the refugees.

c) Absolutely all refugees should return to their places of residence. Here, measures should be taken with regard to those persons who do not wish to return out of fear. There are frequent cases of these persons searching for apartments in the capital. We take into account that Tbilisi is already an overpopulated city and also that this will contribute to the strengthening of a Georgian orientation in Abkhazia. We request that the mayor of Tbilisi prohibits the legalization of purchased apartments.

d) The people living on the occupied territory are armed with modern military equipment and it cannot be excluded that, in due course, this will be used against the peaceful population; at the same time, according to the agreement, refugees are returning unarmed and without means.

e) The local administration of Gagra is guilty of the massacre of the region's population and, therefore, they have to be punished with all the severity of the law. At the same time, the inertia of the commission set up by parliament to study the Gagra tragedy and the irresponsible attitude toward the Gagra tragedy on the part of the Ministry of Defense and other high bodies are incomprehensible. It is no longer possible to endure this impunity. It is time the people learned the truth.

f) It is our view that, following the return of the refugees, a temporary military administration should be created until elections are held. As regards the elections, they should take place without any kind of quotas.

We believe that the return of the Abkhaz refugees to Sukhumi cannot be permitted while the aforementioned situation remains unresolved. If all this is not taken into account in the negotiations, it will result in uncontrollable processes, which will be followed by military confrontation.

Signed by 504 refugees.

South Ossetians Demonstrate Against Treaty With Russia

LD2608101793 Moscow Radio Rossii Network in Russian 0900 GMT 26 Aug 93

[Text] Several thousand people gathered in front of the building of the South Ossetian Supreme Soviet in Tskhinvali this morning. They demanded that a telegram be sent to the Russian leadership asking that a Russo-Georgian treaty not be signed until the status of the republic of South Ossetia is recognized. Well-informed sources are speaking of the possibility of combat activities resuming on Georgian territory, with the participation of volunteers from the North Caucasus. This could occur if the interests of Abkhazia and South Ossetia are not taken into account in the signing of a Russo-Georgian treaty, the RIA agency notes.

Shevardnadze 'Satisfied' With Results of Moscow Visit

NC2508135993 Yerevan SNARK in English 0950 GMT 25 Aug 93

[Text] Tbilisi, August 24 (SNARK)—Coming back from Moscow Eduard Shevardnadze met with Aleksandr Yakovenko, Russian representative in Georgia, to comment on the results of Shevardnadze's visit. Head of the Georgian state said that he is satisfied with the results of the meeting, with the content of it, and understanding of the difficulties Georgia lives with the Russian President Boris Yeltsin and the Russian Premier Viktor Chernomyrdin showed during the talks. [sentence as received]

Shevardnadze highly estimates the activity of the Russian peace-making mission in Georgia-Abkhazian conflict regulation.

The urgent problem is to work with refugees, to make them go back to their places of living.

Speaking with SNARK's reporter Aleksandr Yakovenko mentioned that commenting on the meeting mass media issued inaccurate information. Neither Russian, nor Georgian side considers they are at a variance. It is only the point of working out some points.

Speaking on visa and custom barriers in installing the economic relations Yakovenko said that all these problems would be solved. As for the visa regime for the citizens of these states it is suggested by Georgia not Russia. Now there exists the oral agreement with Georgian council department on preserving the entrance-departure without visas.

Gamsakhurdia Interrupts TV Broadcast; Calls For Uprising

AU2508124793 Paris AFP in English 1050 GMT 25 Aug 93

[Text] Tbilisi, Aug 25 (AFP)—Onetime Georgian leader Zviad Gamsakhurdia broke into a television broadcast here to urge an uprising against what he called the "bloody junta" of his successor Eduard Shevardnadze.

The intervention on Tuesday night lasted about three minutes, as Gamsakhurdia supporters cut into the central service broadcast from Moscow by using a transmitter at Senaki, in the ousted chief's stronghold in western Georgia.

Gamsakhurdia, ousted early in 1991, appeared to be trying to capitalise on discontent over a ceasefire with secessionists in Abkhazia, which Georgian nationalists decried as a sellout.

Estonia

Government Announces Plan To Split State-Owned Monopolies

WS2508132893 Tallinn BNS in English 1617 GMT 24 Aug 93

[Text] TALLINN, Aug 24—The Estonian government announced its plan to split a number of large state-owned monopolies, including the Eesti Energia, the Eesti Telefon and the oil-shale company Eesti Polevkivi.

Prime Minister Mart Laar said after today's Cabinet meeting that breaking up monopolies would spark competition in the market.

Eesti Telefon has already agreed in principal to the "competition," Laar said. Eesti Telefon, a joint venture of Estonia, Finland and Sweden, enjoys a concession agreement that gives it long-term exclusive rights to operate the country's telephone communications. Laar now says the concession agreement should be reviewed.

The director general of Eesti Energia, Udo Lehtse, said the government's plans above all include transferring the heat supply networks in major towns to municipal ownership. As another option, Lehtse mentioned setting up joint-stock companies between Eesti Energia and the municipalities to run the heating networks.

The south Estonian regional capital Tartu was the first to complete the municipal takeover of heating systems.

As for the company's electric supply networks, Lehtse suggests local networks could buy electricity from the national company and sell it to local consumers.

"Plans for splitting up Eesti Energia are already under work," he said, "but their implementation will take place on a step-by-step basis."

Government Session on Paldiski Elections, Economy

WS2508121193 Tallinn ETA NEWS BULLETIN in English 0721 GMT 25 Aug 93

[From 25 August RAHVA HAAL, PAEVALEHT, p 1]

[Text] Wednesday, August 25—Yesterday's government session discussed the state of the national budget and Estonia's economy. Falling inflation, growing export, reorientation of economy, slowing of industrial decline and positive balance of payment have earned Estonia the respect of other countries, despite the Russian propaganda offensive, Prime Minister Mart Laar said. The strict monetary policy and the changes in economy are a result of the nation's major effort, he added.

The session also discussed the elections in Paldiski. The government decided not to appeal to the Riigikogu to postpone the elections in Paldiski. "Neither the government nor the Riigikogu can make that decision," Laar commented. He stressed that the lists of voters will have to be reviewed and control of the elections strengthened in order to prevent violations. The register of residents is held in a Russian naval unit and the Estonian authorities have no way of checking, which residents of Paldiski are legal. The government allocated 1.419.000 kroons for elections in Estonia.

The government decided to approve the compromise agreement between the Trade Unions Central League (EAK) and the State Property Department regarding the trade union property purchased for central funds in the Soviet period. Most of the property will be nationalized. The trade unions will have the Trade Union House in Tallinn, the hotel "Kungla", the bus company "Turist", several camping sites, travel agencies and sporting clubs. The trade unions will also have the rest home at Laulasmaa. Most of the resorts are taken over by the state.

The session discussed a number of draft laws. The draft law on compulsory military service was referred to ministries for coordination within two weeks since the ministers recommended several amendments.

The draft law on income tax was considered unsatisfactory. Most of the disputes are centered around the individual income tax. Due to a disagreement between the Finance and Economy Ministries it would be too early to comment on the draft, Laar said. He added that the taxation must favour investments in enterprise.

The preparation of the draft law on enterprises has been delayed due to disagreements on the extent of the law. The draft is to be prepared by a work group of the Economy Ministry.

A national civil aviation safety programme was approved. Detention facilities and everything concerning them was turned over under the administration of the Justice Ministry.

The government issued a resolution on the order of granting residence and work permits to aliens and extending the permits. The permits will be issued by the Migration Department, government advisor Aino Lepik said. Applications are to be submitted by July 12, 1994.

The government decided that the Compensation Fund will start operating in September. The Fund is conceived as an profit-making crediting institution, controlling one half of the privatisation proceeds. Chairman of the board will be Tiit Arge, Managing Director will be Margus Talsi.

The government granted Estonian citizenship to applicants through naturalization, six persons were relieved of the Estonian citizenship.

The government held a news conference after the session. Negotiations with Russia have reached a stage where their continuation may be meaningless, Laar said. Regarding the statements of the Russian presidential spokesman Vyatcheslav Kostikov about Russia's interests and investments in the Baltic region, Laar commented that they belong to an era long before the

Molotov-Ribbentrop pact. Laar also pointed out that the Baltic states should support Lithuania.

Laar also questioned the reports concerning the decision of the State Court Chairman Rait Maruste on the legality of the government resolution on the Defence Police. It was "Maruste's own interpretation," Laar commented, blaming the amendment to the law on police and stressing that the Riigikogu will have to review the amendment in the nearest future.

Finnish Army Chief Ends Visit, Promises Training Aid

LD2608110293 Helsinki Suomen Yleisradio Network in Finnish 1430 GMT 25 Aug 93

[Text] Admiral Jan Klenberg, the commander in chief of the Finnish Defense Forces, in the afternoon ended his 24-hour visit to Estonia. Klenberg acquainted himself with the Estonian armed forces and visited the naval base of Paldiski. During the visit, there were no official talks, but Klenberg promised that Finland will continue to give training aid to the Estonian army.

[Correspondent Ulla-Maija Maeaettaenen] Adm. Jan Klenberg, the commander in chief of the Finnish Defense Forces, described his unofficial visit to Estonia as an informal visit, during which the Estonian and Finnish sides did not have actual cooperation negotiations. According to Klenberg, Finland will continue the training of Estonian soldiers, which the Estonians regard as extremely important.

Today, on the second day of his visit, Adm. Jan Klenberg, visited Paldiski guided by his host, Major Aleksander Einseln, the commander of the Estonian Defense Forces. Paldiski has been one of the most important bases of the Russian Baltic Sea navy. There are still about 1,500 Russian soldiers there, about 700 naval officers, about 300 junior seamen, and 50 men from the special troops, among others.

The commander in chief of the Finnish Defense Forces described Paldiski as a sad sight, which in its current form does not really have any military significance. Estonia took Paldiski under its control around the middle of this month, but the Russians still have control of, among other things, the large training center for submarine crews and two of its training reactors. The Russians have announced that they will start dismantling the nuclear reactors next summer.

The Finnish guests were also shown the premises of the naval company of the Kalevi battalion and two harbors, the control of which is still under dispute between Estonian and Russian authorities. The submarine harbor is empty, in the oily basin of the other harbor there are about 10 missile carriers, four on the bottom of the sea and the rest floating.

Before he left, Jan Klenberg, the commander in chief of the Finnish Defense Forces, said at a brief news conference at the airport that the building of air defense is one of the most difficult tasks for the Estonian Defense Forces. According to Klenberg, Sweden has considered moving its obsolete air surveillance equipment to Estonia. Klenberg answered very carefully to the question whether he thinks that the Russian troops in the Baltic countries are a security policy problem. According to Klenberg, everybody nearby hopes that sovreignty will return to the Baltic countries and that the negotiations concerning the withdrawal of the troops are a matter between the Baltic countries and Russia. Klenberg does not see the Baltic countries as a military vacuum.

Estonia currently has the smallest army of the Baltic countries, about 2,000 men and only land forces; Estonia still has not got naval forces or air forces.

This is Ulla-Maija Maeaettaenen, Tallinn.

Narva Town Council Appeals for 'Special Status'

LD2508175193 Tallinn Radio Tallinn Network in Estonian 1700 GMT 24 Aug 93

[Text] The Narva town council today discussed the concept of the town being given special status within the Republic of Estonia. Town council Chairman Vladimir Chuykin told BNS that the council plans to present its concept for a special status to the Riigikogu [parliament] for examination and endorsement.

The Narva town council today proposed to the parliament, the president, and the government to allow noncitizens to stand in the upcoming local elections by way of exception. The town council has appealed to the Swedish prime minister for help [words indistinct] in resolving this matter. Only two of the 22 town council members in Narva currently have Estonian citizenship.

Latvia

Ulmanis Interviewed on Attitude Toward Russians

WS2608110793 Riga LETA in English 1042 GMT 25 Aug 93

[From the "Latvian Press Review"]

[Text] Riga, August 25—The daily "Diena" reported that the meeting of the parliamentary faction of the movement for Latvian National Independence (LNNK) decided to submit to the parliament a draft resolution calling to demand from the centre for documentation of the consequences of the totalitarian system the documents required to check the alleged links between some of the present legislators and the KGB in past. If it is proved that a parliamentarian did cooperate with the Soviet security service, his or her mandate should be annulled. The factions thought that there were no grounds to doubt the authenticity of the KGB files

placed under the charge of the above-mentioned centre and the investigation commission for totalitarian crimes.

The Russian-language daily "SM-Segodna" has published an interview with Latvian president, Guntis Ulmanis. President's attitude towards the Russians was one of the key themes discussed during the interview. "If the day comes when our society will divide into two communities, it would mean that there are as if two states instead of one," president said. "I would not like to preside over such a country," he added. Ulmanis said that he had studied thoroughly the history of relations between Latvia, Lithuania and Estonia, and his attention was caught by two phenomena - certain contradiction and the great number of slogans about willingness to cooperate. So the president chose as his aim to step up the cooperation and to try to achieve the unity between Latvia, Lithuania and Estonia. "It would not be the unity of three partners with identical views. Most likely it would be based on consensus principle. This unity, obviously, will have to tackle the strategic issues first. I do not think there is considerable contradictions between the three states and it will take just wit and common sense to form a close cooperation. It is also important that this union should not be aggressive and cause concern among other neighbours," Guntis Ulmanis said.

Foreign Ministry Statement on Russian Troops in Lithuania

LD2508180993 Moscow ITAR-TASS in English 1615 GMT 25 Aug 93

[By ITAR-TASS correspondent Galina Kuchina]

[Text] Riga August 25—The Latvian Foreign Ministry issued a statement on Wednesday in which it expressed regret over Russia's decision to suspend the withdrawal of troops from Lithuania, which "violated international obligations and the schedule of troop withdrawal signed with Lithuania on September 8, 1993."

"Obviously, this step will pose a threat of tension in the entire Baltic region and can have a negative impact on Russia's relations with the Baltic states in the future. From the point of view of international law it is of no importance that an agreement on troop withdrawal has not been signed because of mutual disagreements since the presence of foreign troops on the territory of another state against its will is illegal. Therefore the withdrawal of troops should be completed promptly, in an organised manner and fully as required by respective resolutions of the U.N. General Assembly and the Conference on Security and Cooperation in Europe, irrespective of whether or not the above-mentioned agreement has been signed. Attempts to put pressure on Lithuania and other Baltic states and influence through threats their positions not only fail to facilitate the settlement of the situation, but also infringe upon the sovereignty of these countries and, undoubtedly, complicate the talks. At the same the Foreign Ministry expresses the hope that Russia will reconsider its decision, withdraw troops and find acceptable for both sides solutions to the disputable question. This would be in the interest of Russia itself and will only strengthen its international prestige," the statement said.

Bank of Latvia Exchanging All Rubles for Lats

LD2508122893 Riga Radio Riga Network in Russian 2000 GMT 24 Aug 93

[Text] A special cash desk has opened at the Bank of Latvia in Riga to exchange Latvian rubles for lats. On working days, between 1000 and 1300, individuals and corporate entities can exchange Latvian rubles in unlimited amounts of any denomination for any amount of lats. Previously the Bank of Latvia only accepted for exchange banknotes of 200 and 500 Latvian rubles.

According to unofficial information, the Bank of Latvia will remove the bulk of Latvian rubles from circulation by the end of the year.

Customs Chief Dismissed for Neglect of Duty

LD2508214693 Riga Radio Riga International in English 2030 GMT 25 Aug 93

[Text] Latvian Finance Minister Uldis Osis dismissed Latvian Customs Department Director Imonts Geidans from his post Tuesday, due to neglect of duties. The cabinet had listened to Geidans's report on the department's record and found it unsatisfactory. Geidans has been replaced by former Customs Department employee (Vaudas Kursteed). (Kursteed) is a British Latvian who previously worked in the British customs system for 17 years. He began work in his new position today.

Air Force Delegation Arrives in Sweden

WS2608110693 Riga LETA in English 1042 GMT 25 Aug 93

[Text] Riga, August 25—The delegation of the Latvia's air forces and air defence administration with the chief of the administration colonel Karlis Kins at the head have arrived to Sweden. The delegation will be shown the weapons of the Swedish air forces and the Latvian and Swedish parts will discuss possible cooperation plans.

16 officers of the Latvian navy will attend the two-week theoretical and practical courses on coast surveillance and guard. The agreement on the military training of Latvian officers in Sweden has been reached in last February during the stay of the Swedish coast guards leadership in Riga.

Lithuania

Further Reaction to Russian Statement on Troop Withdrawal

Foreign Ministry Seeks Continued Negotiations

WS2508132493 Tallinn BNS in English 1617 GMT 24 Aug 93

[Text] VILNIUS, Aug 24, BNS—The following is an unofficial translation of a Lithuanian Foreign Ministry's statement on the status of relations between Lithuanian and Russia:

"On Aug. 22, 1993, the Ministry of Foreign Affairs of the Russian Federation circulated a statement on the Russian troops withdrawal from the territory of Lithuania.

"Therein Lithuania is accused of reluctance to negotiate an agreement on the formal completion of the troop withdrawal.

"The document also says that the Russia considers itself free of its obligation to compensate for the damage caused in Lithuania since Jan. 1, 1992, and free of its obligations to hand over part of its armament to Lithuania in order to restore Lithuania's defensive power.

"With regard to threats that are supposedly addressed to the Russian servicemen and their families, Russia announced that it will react to possible provocations immediately and resolutely.

"Lithuania is concerned about Russia's affirmation that it sees no point to continue the pullout negotiations.

"Therefore, Lithuania declares the following:

"It seems that Russia is starting a propaganda campaign against Lithuania with the aim to present Lithuania as the intractable side. One of the arguments provided by Russia is the damage done to Lithuania during the Soviet period, estimated at 146 billion USD, which is supposedly included in the drafts proposed by the Lithuanian side. The truth, however, is that the fact of the damage itself and the principle of compensation was discussed all the time.

"Responsibility for damage, including the damage done after the collapse of the Soviet Union, has not disappeared because negotiations on this issue have not ended.

"Lithuania's official position is to create a peaceful atmosphere for the Russian servicemen and their families in Lithuania and not to hinder their withdrawal from the territory of the Republic of Lithuania. Such an atmosphere and such conditions have been already created.

"Lithuania's position remains unchanged and negotiations are the only civilized solution to all the problems. Other measures such as political, economic and military pressure are unacceptable to Lithuania.

"Lithuania, contrary to the attitude expressed by the Russian Foreign Ministry, sees a great sense in continuing negotiations."

Minister Vows To Block New Troops

WS2508132293 Tallinn BNS in English 1617 GMT 24 Aug 93

[Text] VILNIUS, AUG 24, BNS—Lithuanian Defense Minister Audrius Butkevicius ordered the country's defense system to block any possible attempts to bring in additional Russian troops into Lithuania.

A Russian Foreign Ministry statement poses a direct threat to Lithuania, he said citing a clause that reads in the event of "any provocations or other unreasonable acts, Russia's response would be fast, practical and most resolute."

"This cannot be understood as anything other than a threat to use force," said the Lithuanian minister.

He said the Lithuanian Defense Ministry is ready to block any attempts to deploy more Russian soldiers in Lithuania. "We had pretty good experience when we attempted and succeeded to block the transport of Russian troops last year," he said.

"I ordered (the Lithuanian troops) to get ready for a similar case," he said. "An unlawful attempt to bring in soldiers in Lithuania should be regarded as an aggression against Lithuania."

He once again repeated his view that a decision to suspend the withdrawal of Russian troops is a political step and that Russia does not comply with its international obligations included in a number of international resolutions.

Seimas President Calls For Visa System

PM2508144993 Moscow ROSSIYSKAYA GAZETA in Russian 25 Aug 93 First Edition p 7

[Unattributed report from ROSSIYSKAYA GAZETA, EKHO MOSKVY, ITAR-TASS column: "Lithuanian Irritation in Dialogue With Russia Moves up a Notch"]

[Text] Lithuania cannot let Russia's decision to suspend the troop withdrawal from the republic's territory go unanswered and it may take corresponding steps.

Aloizas Sakalas, acting Seimas president, said that a visa system should be introduced for Russian citizens. The conflict will evidently develop more seriously at the diplomatic level. Here little Lithuania can quite easily tussle with its gigantic neighbor, especially since support will probably follow from the Western world. Swedish Prime Minister Carl Bildt, who is paying a brief visit to Riga, described Russia's decision to suspend the troop withdrawal as totally unexpected. In his opinion, it is

politically important for the withdrawal to be carried out on the previously agreed dates. And A. Sakalas' statement to the effect that Lithuania will rigorously protest at sessions of the Council of Europe's political and legal committees is now acquiring real political substance. This matter will be raised when Miguel Angel Martinez, chairman of the Council of Europe's Parliamentary Assembly, visits Lithuania 25-27 August. And the presidents of the three Baltic countries will discuss the possibility of joint actions 27 August in Riga.

Negotiator Downplays Differences

LD2508202493

[Editorial Report] Vilnius Radio Vilnius in Lithuanian at 0910 GMT on 25 August broadcasts 30 minutes of "recorded excerpts" from a news conference given by Virgilijus Bulowas, chairman of the Lithuanian State Delegation for Negotiations with Russia. Place and date of the news conference are not stated.

In his opening statement, Bulowas says: "I do not wish to be an optimist and say that 31 August will be a historic date. I think that the army withdrawal will take place somewhat later, but judging by certain signs, the Russian army should not stay here long."

After criticizing the press for exaggerating some aspects of the negotiations and its zealous attempts to get information by any possible means, Bulowas says: "It is possible to evaluate in two ways what happened in Moscow. There was a feeling that such results could always be expected." He continues: "Both we and they have made mistakes. One of our last mistakes was that at a meeting of the delegation, our colleague Nikolajus Medvedevas prepared questions along the lines of 'what happens if.' He listed all instances of 'if we do not succeed.' It is a pity that the delegation did not find time to examine these worst scenarios of 'what happens if.' Now we have one of these 'what happens if' scenarios. Is the situation really bad, or is it being worsened artificially? The situation is not very bad. Maybe, one should say that we insufficently assessed the other side. The other side reads our press sufficiently, it knows well enough what is happening in the delegation, it knows well enough what some members of the delegation are saying about the president and other officials, about the policy. They know all this very well. They could not be accused of illiteracy."

Bulowas then criticizes the press for mentioning the sum of $146 billion in compensation. He says: "This was a preliminary calculation submitted to the Russian delegation on 27 May 1992. Now, however, the delegation, that is, the Lithuanian side, does not make any such claims regarding this figure. It has been of use to somebody, of course, the Russian press created a great propaganda about this. One must say that their mechanism is not working properly, either, not all sections are linked. For instance, Colonel General Mayorov says in his statement that this figure has been included in the draft agreement. This is not the case, but the Russian press has mentioned this figure.

"Many people could be blamed for the present situation when the army is not being withdrawn. The delegation is to blame, too. It should have been possible to be better prepared for these versions. In spite of the opinion expressed by our mass information media, it should have been possible to explain better what we have won and what we have lost."

Bulowas continues: "What we lost at the moment is all financial claims by the banks. They have been submitted to the Russian delegation. Luckily, although we did not reach an agreement with the other side, we did not become angry with each other, then it would have been very difficult to ask them something, negotiations on all compensation with the savings offices, insurance, and the Vneshekonombank would be much more difficult.

"Should we be pessimistic now or not? The army will be withdrawn. Maybe Russia is not specially interested in stationing it here. They are taking a political step, but economically it is not useful to them, although economics and politics often differ in Russia."

The conversations with Mr. Isakov during the meeting were completely normal, in spite of the fact that we did not agree, Bulowas says. The work ceased only on the agreement on army withdrawal; on all other agreements the work continues. "On the same Saturday I received a coordinated draft agreement from the Russian side on military transit. They think that it is finally coordinated. Our delegation will examine it and, if it is acceptable, it will be signed. An agreenent on industrial enterprises was submitted before the suspension of the army withdrawal. This shows that contacts are there."

Answering a journalist's question, Bulowas says: "The stands of the sides a few days ago and those of September of last year remained the same. Then and now we have been seeking how and in what form to deal with two basic questions: this ill-fated first article on how the Russian army is to be withdrawn and the question of compensation. There have been many versions. In fact, Russia's demands have not changed since October of last year, and Lithuania's basic demands have not changed either."

Asked whether another meeting of the delegations is possible, Bulovas replies: "I would put it this way. There will be no meetings soon because Mr. Isakov has asked for two weeks vacation, for hospital treatement. We parted on very friendly terms, and I think that meetings of experts will take place at the beginning of next month and meetings of the delegations on all other issues will also take place. On the issue of army withdrawal, a decision should be taken on a higher level, whether it is possible to negotiate, whether there is sense in negotiating and how to negotiate. This is above the delegation's authorization. If an agreement is reached that negotiations should continue, we will continue to examine this

agreement, too. But we will work on other agreements. We parted in a normal way, without any anger."

Expert on Russia's 'Aggressive Presence'

WS2508132693 Tallinn BNS in English 1849 GMT 24 Aug 93

[Text] VILNIUS, Aug 23, BNS—Russia becomes an aggressive presence in Lithuania after Aug. 31, says Vilenas Vadopalas, an expert on international law and a member of the Lithuanian delegation for talks with Russia.

The U.N. General Assembly describes aggression as the non-withdrawal of troops or their continued presence after an agreed withdrawal deadline, Vadopalas explained Monday [23 August] on Lithuanian TV. "There is not even an agreement (required) in this case," he noted. Russia has a respective agreement in the case of its troop withdrawal from Germany and other countries.

Russia's obligation to pull its troops from Lithuania evolves not only from international law, but also from the withdrawal schedule it signed in Moscow last September, he said. "The schedule in its content is clearly an international agreement that defines Russia's obligations," he said. "This schedule is quite enough for Russia to fulfill its obligation."

The Lithuanian expert noted that Lithuania and Russia also signed two other documents Sept. 8—an agreement on the technical aspects of the pull out and an agreement on the rules of conduct for the withdrawing Russian soldiers.

Slezevicius Receives Outgoing Chinese Ambassador

WS2608111193 Vilnius ELTA NEWS BULLETIN in English 1348 GMT 25 Aug 93

[From ELTA "NEWS BULLETIN" No. 316]

[Text] Vilnius, August 24 (ELTA)—"I believe that the Lithuanian economic reforms will yield positive results, and people will soon start to live a better life", said Extraordinary and Plenipotentiary Ambassador of the People's Republic of China Chen Di in his meeting with the Lithuanian Prime Minister Adolfas Slezevicius. The Ambassador is leaving from Lithuania after having worked here for seventeen months. The diplomat expressed his satisfaction about Lithuanian-Chinese promoted trade links during this period. To his knowledge, the trade turnover of the last year reached 90 million dollars. He informed about almost prepared new bilateral draft agreements, the signing of which will improve chances for economical, cultural and other kind of cooperation. Chen Di hopes that such agreements will be signed eventually. The ambassador has said, that Beijing is awaiting for A. Brazauskas visit. Chinese diplomat has told about a success of the economical reform in his country: the annual production growth is 12 percent and this figure is one of the highest among all of the countries. Premier expressed satisfaction about relations between Lithuanian and the People's Republic of China, thanked ambassador for his personal contribution to development of bilateral and mutually useful links and wished good luck in his diplomatic career in Almaty.

Special Services Fear Muslim Terrorism During Pope's Visit

WS2508123693 Tallinn BNS in English 1033 GMT 25 Aug 93

[Text] VILNIUS, Aug 24, BNS—Lithuania's special services are gearing up to prevent a possible clash with Muslim terrorists during the pope's visit to Lithuania Sept. 4-7.

Lithuanian security experts are watching in particular for the Turkish extremist organization, The Gray Wolves, whose member tried to assassinate John Paul II in 1981.

Other terrorist groups like the Palestinian Abu Nidal and the Palestinian Liberation Front pose a serious threat, as well, the newspaper Respublika reports.

So far there have been no reports about their intentions to come to Lithuania, said Aurelijus Racevicius, chief commissioner of the Interpol Lithuanian bureau. But, he notes, it wouldn't be hard to get through Lithuania's eastern borders, which are still open.

The commissioner said Lithuania's border guards have already been instructed on their operations before and during the pope's visit. The Lithuanian security services have worked out a special plan for emergency situations.

Racevicius said all foreigners without a Lithuanian visa or means of subsistence will be deported from the country. Special attention will paid to citizens from those countries known for terrorists.

Oil Refinery Manager Appointed Deputy Energy Minister

WS2608110993 Vilnius ELTA in Lithuanian 1307 GMT 24 Aug 93

[Text] Bronislovas Vainora, general manager of the Mazeikiai oil refinery "Nafta," has been appointed Lithuanian deputy energy minister. Prior to this, the government had nominated B. Vainora to take charge of the construction of the oil terminal on Lithuania's sea coast, and the design and construction of the principal oil pipeline from the sea coast to the Mazeikiai enterprise. The manager was bestowed larger powers in order to organize this work.

The construction of the oil terminal will take about 18 months. According to primary estimates, it will cost approximately $70-80 million.